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AND

STATISTICAL INFORMATION

RELATIVE TO THE VOLUME OF THE WORLD'S MONEY

WITH

Complete Abstracts of Various Plans
Proposed for the Solution of the Currency Problem

MAURICE L. MUHLEMAN
Deputy Assistant Treasurer United States, New York

CHARLES H. NICOLL
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1895

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PREFACE.

THE lively interest aroused by the public discussions of the questions relating to our currency has given rise to a desire, greater than ever before, for accurate information on the subject. This has manifested itself in the form of inquiries upon every phase of the subject, coming from all parts of the country. The silver question, which for more than twenty years has maintained the first rank in this country, as well as in many of the other countries of the world, has recently been displaced, in a measure, by the bank-note question, first again brought to the attention of the public by the platform of the Democratic party adopted in Chicago in 1892, and subsequently discussed at great length in Congress and in a number of periodicals.

In the consideration of this phase of the money question, the systems of bank-note issues existing in the United States prior to the inauguration of the National-bank system in 1863 and the systems employed by other nations, have naturally become the subject of much study and consequently of prime interest to all who endeavor to know something about them.

The inquiries received by me and by many other persons have not, therefore, been confined to the rather elementary topics which form the main portion of my previous publication, "The Money of the United States," but have been extended to matters upon which it is much more difficult to obtain comprehensive information, viz., the moneys of other nations.

I have, therefore, enlarged the scope of the previous work materially, including the greater part of the material therein contained in the present volume, bringing the statistics down to a later date and, especially, enlarging the account of our State banking systems prior to 1863.

The information collated respecting the monetary systems of other nations is necessarily less exhaustive than the portion of the volume pertaining to our own country's circulating media; but sufficient is given in each case to provide the general reader, and the student as well, with a concise presentation of the obtainable data in compact form and therefore convenient for ready reference.

It is in this particular that the author of the work claims that its chief merit lies; the greater portion of the *matter* is accessible to any one in position to consult libraries of the first class; but it is scattered throughout many volumes, many of which are unknown, even by name, to the general reader, and some

probably for the same reason unavailable to the persistent student. To bring together, within the space of comparatively few pages, all of the important points involved in the questions has been the aim of the author. In doing this a judicious selection from the mass of statistics with which such a volume might be filled at the expense of its utility, has been exercised, and attention has been given first of all to the character of the inquiries which, in an experience of many years, have been found to indicate the direction of the desire for information.

If, therefore, this volume does not contain a reply to *every* question that may arise, its absence is not necessarily due to accidental omission, but to a desire to keep the volume within the limits of a handy MANUAL.

The statistical matter herein presented is taken, for the greater part, directly from OFFICIAL sources, and when taken from other channels of information it has in almost every instance been carefully verified by reference to other contemporaneous independent publications.

The statutes referred to in the first chapters, relating to our own forms of money, have been so thoroughly studied in the course of over twenty years of service in the Treasury, that the author is confident that no errors have crept into the publication. The same may be said, in a degree, of the facts collected relative to other countries, great care having been taken to insure correctness.

In addition to the subjects which pertain directly to the monetary systems and the volume of the world's money, attention has been given to the most interesting and important one of international exchanges and the movement of the precious metals; to the clearing-house systems and to the measures which have recently been proposed to improve the currency systems, both national and international.

MAURICE L. MUHLEMAN.

MONETARY SYSTEMS OF THE WORLD.

INTRODUCTION.

Brief General View of the Money of the World—Weight and Value of the Units of Each Country—The Nomenclature of Coins—The Production of Precious Metals and Their Use.

In the consideration of the means which the several nations of the world make use of to effect their exchanges, it is found that various forms of money are employed, and most of these forms again vary in different localities. The forms may, however, be generally classified as follows :

1. Gold coin (or bars).
2. Full legal tender silver.
3. Certificates of deposit for gold or silver.
4. Subsidiary silver coin (limited legal tender).
5. Minor coin—*i. e.*, base-metal tokens.
6. Bank-notes.
7. Government notes.

Perhaps the most important attribute of any form of money is its *legal tender power;* that is, the power, conferred by law, to discharge a debt payable in money. While every one of the forms of money given above, has in some countries a greater or less measure of such power, gold alone possesses, by virtue of commercial usage, the unlimited legal-tender quality throughout the civilized world. It is therefore, to this extent, the only *international money*, excepting in the far East (India, China, etc.). Moreover, the value—or rather the purchasing power—of gold is the same throughout the civilized world.

Since this value depends upon the quantity of *pure* metal contained in any given mass, it is of the greatest importance to know the *fineness*, as well as the weight. The fineness indicates the proportion of pure metal, and is usually expressed in thousandths. The inferior metal is added chiefly to increase the durability of the precious metal, and is termed the *alloy*. Thus: Coin of the United States is 900 thousandths fine ; containing 100 thousandths of copper ; five thousand ounces of such coin is therefore accepted as four thousand five hundred ounces of pure gold. In large international transactions the weight of the mass is regarded and not the number of pieces.

In like manner in the East, where silver coin is the recognized full legal-tender money, its weight and fineness are matters of first consideration.

Coins are struck at varying *weights* in different countries, and the metal used varies in fineness ; the units vary accordingly, requiring computations in making

exchanges. The table herewith shows the weight and fineness of the monetary unit of each of the principal and some minor countries, and the value of such units in money of the United States.

TABLE OF THE WORLD'S COINS.

Weights are given in grammes, values in United States coin, fineness in thousandths.
The value of silver coins is based upon the coining value of an ounce of silver in the United States, $1.2929.

Single-Gold Standard Countries.

Country.	Unit.	Value.	Weight.	Fineness.	Subsidiary Silver Coin.			
					Principal Coin.	Weight.	Fineness.	Equivalent at Coining Rate.
Great Britain	Pound	$4.86⅔	7.988	.916⅔	Shilling	5.655	.925	$0.21.7
Germany	Mark	.23.8	.398	.900	Mark	5.555	.900	.20.8
Sweden, Norway, Denmark	Krone	.26.8	.448	.900	Krone	7.5	.800	.24.9
Austro-Hungary	Krone	.20.3	.33⅞	.900	Krone	5.	.835	.17.4
Roumania	Ley	.19.3	.3226	.900	Ley	5.	.835	.17.4
Turkey	Piaster	.04.4	.072	.916⅔	5-piasters	6.014	.830	.20.7
Portugal	Milreis	1.08	1.774	.916⅔	Testoon	2.5	.916⅔	.09.5
Brazil	Milreis	.54.6	.8965	.917	Milreis	12.75	.917	.48.6
Canada	Dollar	1.00	No gold coins		Half-dollar	11.62	.925	.44.6
Newfoundland	Dollar	1.01.4	1.664	.916⅔	Half-dollar	11.782	.925	.44.8
Egypt	Pound	4 94.3	8.5	.875	5-piasters	7.	.833⅓	.24.3

Australasia, Cape Colony, the British West Indies have the British standard, and in Canada the pound sterling is also a legal tender.

Single-Silver Standard Countries.

Country.	Unit	Equivalent at Coining Rate.	Weight	Fineness.	Subsidiary pieces = to Unit.		Gold Piece = to Unit.		
					Weight.	Fineness.	Weight	Fineness.	Value.
Russia	Rouble	$0.74.8	19.996	.900	17.99	.500	1.29	.900	$0.77.2
Mexico	Peso	1.01.6	27.073	.902.7	27.073	.902.7	1.692	.875	.98.4
Central America	Peso	.93.5	25.	.900	25.	.835	1.613	.900	.96.5
Colombia	Peso	.93.5	25.	.900	25.	835	1.613	.900	.96.5
Bolivia	Boliviano	.93.5	25.	.900	25.	.900	1.613	.900	.96.5
Peru	Sol	.93.5	25.	.900	25.	.900	1.613	.900	.96.5
Ecuador	Sucre	.93.5	25.	.900	25.	.900	1.613	.900	.96 5
India	Rupee	.44.4	11.664	.916⅔	11.664	.916⅔	11.664*	.916⅔	7.10.9
China	Tael †	1.36.4	36.56	.....	.....	.....	No coins		
Hong-Kong & Straits	Dollar	1.00.8	26.956	.900	25.	.800	No coins		
Cochin China	Piaster	1.018	27.215	.900	27.215	.900	No coins		

* Mohur = to 15 rupees.
† Shanghai tael. The new dollar coinage has not yet been rated.

Double-Standard Countries.

Country.	Unit.	Value.	Gold Unit.		Silver Unit.		Subsidiary Coin.		
			Weight.	Fineness.	Weight.	Fineness.	Weight	Fineness.	Value.
United States	Dollar	$1.00	1.672	.900	26.729	.900	25.	.900	$0.93 5
Haiti	Gourde	.96.5	1 613	.900	25.	.900	25.	.835	.87.0
Uruguay	Peso	1.03 4	1 697	.917	25.	.900	25.	.900	.93.5
Argentine Republic	Peso	.96.5	1.613	.900	25.	.900	25.	.900	.93.5
Chile*	Peso	.91 2	1.525	.900	25.	.900	25.	.900	.93.5
Venezuela	Bolivar	.19.3	.3226	.900	5.	.900	5.	.835	.17.4
France (The Latin Union.)	Franc								
Belgium (The Latin Union.)	Franc								
Italy (The Latin Union.)	Lira	.19.3	.3226	.900	5.	.900	5.	.835	.17.4
Switzerland (The Latin Union.)	Franc								
Greece (The Latin Union.)	Drachma								
Spain	Peseta	.19.3	.3226	.900	5.	.900	5.	.835	.17.4
Servia	Dinar	.19.3	.3226	.900	5.	.900	5.	.835	.17.4
Bulgaria	Lew	.19.3	.3226	.900	5.	.900	5.	.835	.17.4
Netherlands	Florin	.40.2	.672	.900	10.	.945	3.57	.640	.09.5
Algeria	Franc	.19.3	.3226	.900	5.	.900	5.	.835	.17.4
Tunis	Franc	.19.3	.3226	.900	5.	.900	5.	.835	.17.4
Japan	Yen	.99.7	1.667	.900	26.956	.900	25.	.800	.89.0
Java, etc	Florin	.40.2	.672	.900	10.	.945	3.57	.640	.09 5
Philippine Islands	Peso	.98.3	1.691	.875	25.96	.900	25.96	.900	.97.1
Hawaii	Dollar	1.00	1.672	.900	26.729	.900	25.	.900	.93.5

* Chile is about to adopt a single-gold standard.
NOTE.—The gramme is equal to 15.432 grains.

Countries in which gold alone is legal tender are said to have the "single-gold standard;" where silver alone is so used, the "single-silver standard;" where both metals are used the "double standard" prevails.

It will be observed that there is a marked preference shown for the employment of metal 900 thousandths fine; moreover, the majority of the *units* are identical with the franc of the French monetary system; by combining five of the units it approximates the dollar system prevailing in the next largest number of countries. It would therefore require little more than the removal of individual national prejudices to reach the point of a *universal unit.*

Since exchanges are made upon the basis of the pure metal in coins, the actual parity between Great Britain and the United States is represented by the value of the pound sterling, which is $4.86⅔; by adding the cost of transferring the coin or bullion (involving beside freight, insurance, interest, commissions and occasionally certain discounts), we arrive at the *par of exchange:* the amount necessary to discharge the debt one pound of a New York merchant at the office of a London merchant.

The *ratio* in coinage is the term used to express the equivalent between gold and silver under the varying mint laws. Thus it will be seen that the gold five-franc piece weighs 1.613 grammes, while the silver piece of the same denomination weighs 25 grammes; the relation is, therefore, as 1 to 15½; in other words, a pound of gold would be coined into as many francs as 15½ pounds of silver. Therefore it is said that the coining ratio of France is 1:15½.

This applies, however, to full debt-paying silver only: for it will be observed that while the *subsidiary silver* pieces of France bear the same relation in weight, the fineness is less, making the pieces less valuable. In many countries the same result is effected by reducing the weight, instead of the fineness, of subsidiary coin. It is for this reason that such coin is a legal tender for small payments only, rarely over ten dollars in any civilized country; and it is made cheaper to prevent its being exported, being intended solely for domestic use.

In like manner *minor coin*, intrinsically of little value, is a legal tender for very small amounts only; say 25 to 50 cents. In most countries nickel and bronze are now used for this coinage.

The *ratio* for coinage when established by each nation was intended to represent approximately the actual value relation between gold and silver; and it may be said that for many years this was very nearly correct. But the great increase in the production of silver since 1873, and the restriction of its use by many nations, caused such a reduction in its market value, that the ratio is now nearer 27 to 1 of gold. Consequently almost all nations have discontinued the free and unlimited coinage of silver into full debt-paying money; for it is obvious that if any one nation were to do so the silver product, costing but 63 cents per ounce, would be brought to that nation's mints and coined into pieces worth about $\$1.29\frac{29}{100}$ per ounce, which could be used to pay debts or purchase commodities in that country.

FREE COINAGE is a term used to signify that the mint is open to any one who may choose to bring bullion to be coined; when the bullion produces more dollars or pounds or francs than it cost, the difference is of course profit, and in the case of free coinage the owner gets it. When, however, as in the United States (see *post*), bullion is bought by the Government, the profit or *seignorage* is retained by it. This is termed coining on *Government account*.

The term *seignorage* as used, to express the difference between the market value of bullion and its coining value, is not strictly correct. Originally it was the charge which the *seigneur*—lord or king, imposed for coining; by increasing the charge so as to cover the difference above referred to, the term might be deemed applicable.

By *bi-metalism*, strictly defined, is meant the free and unlimited coinage of both gold and silver into coins of full debt-paying power. Not the mere use of the double-standard, but the actually open mints on the terms above given. No country in the world is, therefore, bi-metallic to-day, since those conditions do not now exist anywhere.

PAPER MONEY (notes and certificates) is intended as a rule solely for circulation within the boundaries of the countries which issue them. They are found quite plentiful in other countries, however, for purposes of international exchange in small amounts. They are a legal tender only in the countries in which they emanate, and frequently not even there. *Certificates* represent actual deposits of coin or bullion; and some issues of *notes* are similarly covered fully by metallic money. But notes are generally issued to a greater or less degree on the *credit*, either of the Government or of bank issuing them, and are exchangeable for coin

in accordance with the measure of that credit. It is therefore clear that to the extent that notes are issued in excess of the metal held by the issuing bank or treasury, the volume of available circulating media is increased. This excess is usually given in statistical tables under the head of "uncovered notes." Strictly speaking this is not correct, since the metal in hand in a bank cannot be deemed to be *entirely* and solely available to pay notes; some of it must necessarily be held against the deposits of issuing banks.

GOVERNMENT NOTES are issued by comparatively few nations, the United States, Austria-Hungary, Russia, Italy, Canada, Japan and India being the principal ones. *Bank*-notes are issued in almost every civilized country.

NOMENCLATURE OF COINS.

Generally speaking, the names of coins are traceable back to the times when the precious metals passed by weight,—before discs or pieces were cut out and stamped. The *shekel* of the ancient Hebrews was a weight. The Roman *as* represented a pound before it was reduced in weight; the *denarius* of the Romans, the *denier* of France and the *dime* (formerly *disme*) of the United States represent tenths of the principal piece. The *livre* of France, the *pound* of England, the *peso* of Spain's former coinage and the diminutive *peseta* of its present system all signified weights of metal once equivalent to the nominal value.

Another system of nomenclature of coins was based upon the name of the power which issued them. Thus, the *ducat* of a duke, the *sovereign*, the *crown* or *krone*, the *imperial*, the *louis d' or*, *friederichs d' or*, *napoleons*, etc. Other coins derived their names from the devices upon them, as the *florin*, which bore a flower; the *escudo*, a shield; the *eagle* of the United States; the *condor* of South America.

The *dollar*, derived from the German *thaler*, was apparently first issued by a community of the Joachims-thal in South Germany, whose pieces were of well-known purity and fixed value during periods when kings and dukes debased their coin without the slightest consideration for honesty. From this we have the *rigs-daler* of Scandinavia, the *rix-daler* of the Dutch, the Maria Theresa thaler, a unique coin still struck by Austria for the trade with the Levant and bearing the uniform date of 1780.

The American dollar is based upon the Spanish *milled* dollar, the piece which probably first bore the corrugated edge now so common, and devised for the purpose of preventing the reduction of the piece by cutting off the rim. Although Spain has long since ceased using this coin, its colonies continue to do so, and the South American countries have to-day a modified *peso* or dollar, which is in most cases equivalent to the five-franc piece of France. Mexico's old Spanish peso is sometimes called the piece of eight *reals* (derived from rey, a king), and in the United States, where these dollars or pesos of Spain circulated long after their own coinage was introduced, the reals were in some sections called *shillings*, in others *bits*, and in still others *levies*. They represented a nominal value of 12½ cents.

The Portuguese have also a *real* in their coinage, and the present unit of that country is the *milreis*—or 1,000 reis. Here the original unit is worth

only $\frac{108}{1000}$ of a cent. Brazil, which formerly belonged to Portugal, also uses the *milreis*, but its value is only half of that of Portugal.

The *shilling* of Great Britain finds its counterpart in the *skilling* of Scandinavia; the *mark* of Germany, originally also a weight, is also found in the *markka* of Finland; the *penny* is found as the *pfennig* in Germany and *penni* of Finland.

The peso is in many sections of the world called the *piaster;* but this piaster is very unlike that of Turkey and the Mohammedan countries, being twenty-five times more valuable. So there are ducats in Austria, in the Netherlands and in Russia, the latter being worth a few cents more than the two others. Florins are still found in Austria, the Netherlands and Great Britain, although no longer used where they first appeared (Italy). The value of the British florin is 2 shillings, of the Austrian 2½ francs, of the Dutch 40½ cents.

The French system of *francs* is so largely copied that special attention is directed thereto. Its name is derived from the people who settled in that portion of Europe. As before stated, its value is 19 3-10th cents. Belgium and Switzerland use the same term for their units, but the equivalent pieces of other countries are known by other names: Italy, *lira* (probably from the name of the weight); Spain, *peseta*; Greece, *drachma*, from its ancient coinage, and divided into 100 *lepta* instead of centimes; Bulgaria calls her franc the *lew* of 100 *stotinki;* Roumania, the *ley* of 100 *banis*; Servia, the *dinar* of 100 *paras* (the name of the Turkish divisional piece); Finland, the *markka* of 100 *penni*; Venezuela, the *bolivar* (the name of the liberator, Simon Bolivar) of 100 *centavos*. Formerly the French *livre* was divided into 20 *sous*, so that the sous is equal to 5 centimes.

Certain coins stand alone in their nomenclature: The *rouble* of Russia and the *rupee* of India. The rouble is divided into 100 *kopecks*, but the divisional pieces have such names as *poltinnik*, *tchetvertak*, *abassis*, *grivinik*, *pietak*. The rupee is divided into 16 *annas* of 4 *pice*, each of the latter equal to 3 *pie* (about ¼ of one cent).

Persia has a coin called the *thoman* of 25 *abassis*, each of the latter equal to four *scahis*. These abassis are worth much less than the Russian, but the similarity of the name is striking.

The *crown* of Great Britain is worth five shillings, that of Germany (*krone*) very nearly 10 shillings, that of Austria's new coinage about 2 shillings, that of Portugal about 44 shillings, the Scandinavian crown about one shilling.

Japan calls her principal coin, very nearly identical with our dollar, the *yen;* it is divided into 100 *sen*. Formerly the unit was the *cobang* and the divisional coins were called *itzebu*.

The "dollar" of South America is termed *sol* in Peru, *boliviano* in Bolivia, *sucre* in Ecuador, and the similar coin of Haiti is the *gourde*.

Portugal's divisional pieces are *testoons*, the Scandinavians have *öre*, Austria has *kreutzers*, formerly and now again *hellers*, Egypt has pieces bearing the euphonious name of *ochr-el-guerche*.

Guilders of Holland, *gulden* of the German States, the *peso duros* (hard dollars) are obsolete, and the new *real* of Spain is worth only about five cents.

The *tael* of China is really a weight only; and there are several of these,

varying in value according to the locality. The principal piece used by the mass of the Chinese is the *cash*, a very cheap coin with a square hole in the centre.

The smallest divisional coins in many countries are not coined, for example, the *mill* of the United States.

Where divisional coins of small nominal value circulate it will be found that the people are either very economical, or, on the other hand, poor.

THE PRODUCTION AND CONSUMPTION OF PRECIOUS METALS.

The following table exhibits the production of gold and silver for periods since the discovery of America, and the commercial ratio of silver to gold at the end of each period :

	Gold.	Silver Coining Value.	Ratio.
1492–1520	$107,931,000	$54,703,000	10.75
1521–1560	204,697,000	297,226,000	11.30
1561–1600	189,012,000	597,244,000	11.80
1601–1640	223,572,000	678,800,000	14.00
1641–1680	239,655,000	584,691,000	15 00
1681–1720	313,491,000	579,869,000	15.21
1721–1760	580,727,000	801,712,000	14.75
1761–1800	511,675,000	1,273,468,000	15.09
1801–1810	118,152,000	371,677,000	15.61
1811–1820	76,063,000	224,786,000	15.51
1821–1830	94,479,000	191,444,000	15.80
1831–1840	134,841,000	247,930,000	15.75
1841–1850	363,928,000	324,400,000	15.83
1851–1860	1,332,981,000	372,261,000	15.29
1861–1870	1,263,015,000	507,174,000	15.56
1871–1880	1,150,814,000	918,578,000	18.05
1881–1890	1,059,892,000	1,298,820,000	19.76
1891	130,650,000	177,352,000	20.02
1892	146,298,000	197,741,000	23.73
1893	155,522,000	208,371,000	26.49
Total	$8,397,395,000	$9,908,247,000	....

For purposes of reference, the production of gold and silver in recent years is given below by countries in millions of dollars :

Gold.

Year.	United States.	Other America.	Russia.	Other Europe.	Australia.	Africa.	China.	Other.	Total.
1879	39	7	28	1	29	2	..	1	107
1880	36	9	28	1	29	2	..	1	106
1881	35	7	24	2	31	2	..	2	103
1882	33	8	24	1	32	2	..	2	102
1883	30	9	20	1	26	2	5	2	95
1884	31	10	22	1	28	1	6	3	102
1885	32	10	25	2	27	2	7	3	108
1886	35	10	21	2	26	2	7	3	106
1887	33	9	20	3	27	2	9	3	106
1888	33	9	21	2	29	4	9	4	111
1889	33	10	24	3	33	8	9	5	123
1890	33	11	25	1	30	10	5	4	120
1891	33	12	24	3	31	16	6	6	131
1892	33	12	25	4	34	24	8	6	146
1893	36	13	25	3	36	30	8	4	155

Silver.

Year.	Silver at Coining Rate.* United States.	Mexico.	South America.	Europe, etc.	Total.	Market Price (†) and Ratio of Silver.	
1879.....	41	25	12	11	89	$1.123	18.40
1880.....	39	25	18	14	97	1.145	18.05
1881.....	43	28	18	13	102	1.138	18.16
1882.....	47	29	19	17	112	1.136	18.19
1883.....	46	30	26	13	115	1.11	18.64
1884.....	49	27	20	15	111	1.113	18.57
1885.....	51	32	22	13	118	1.0645	19.41
1886.....	51	33	24	13	121	.9946	20.78
1887.....	53	37	20	14	124	.97823	21.13
1888.....	59	41	24	16	141	.93987	21.99
1889.....	65	47	22	28	162	.93576	22 10
1890.....	70	50	26	28	174	1.04633	19.76
1891.....	75	45	21	36	177	.98782	20.92
1892.....	82	51	24	41	198	.87106	23.72
1893.....	77	57	25	49	208	.78031	26 49

* Coining rate is $1.2929 per ounce fine. † Per ounce fine.

The consumption of the precious metals in the arts and industries is estimated as follows :

By Soetbeer: Average annual, 1871-1880. Gold..... $55,600,000
Silver..... 19,400,000

Estimated Use of Gold and Silver in the Arts (Soetbeer).

(In millions of dollars, excluding old material.)

Country.	Average, 1871-1880. Gold.	Silver.	1885. Gold.	Silver.
United States.....	9.0	4.2	13.0	4.8
Great Britain.....	11.3	2.9	11.2	2.9
France.....	11.2	3.1	11.1	3.1
Germany.....	7.8	3.1	8 0	3.4
Switzerland.....	7.5	1.0	6.6	1.0
Holland and Belgium.....	...	...	1.9	1.0
Austria-Hungary.....	1.6	1.3	1.6	1.3
Italy.....	3.0	0.8	3.0	0.8
Russia.....	1.6	1.3	1.6	1.3
Others.....	2.6	1.7	1.3	1.7
Total.....	55.6	19.4	59.3	21.3

1893: Estimates compiled from various sources. Gold..... $50,200,000
Silver..... 16,600,000

For many years gold has been exported to India, China and the Orient generally, and retained there ; for it is not used as a circulating medium. The amounts

so lost to the commerce of the world are variously estimated. The most recent estimate by Professor Soetbeer is that $600,000,000 is in hoards in those parts of the world.

It appears that fully $25,000,000 has been annually gained by India for a long series of years; and this sum added to the amount annually used in the arts, left a comparatively small amount for the purpose of coinage.

It will be observed, however, that in recent years the production of gold has increased materially, and it is believed that the product for the year 1894 will prove to have been larger than ever before, so that the amount available for coinage has been larger.

The World's Gold Coinage, 1879-1893.

(In millions of dollars.)

Year.	U. S.	Great Britain.	Australia.	Germany.	Latin Union.	Russia.	Spain.	Scandinavia.	Austria.	Other.	Total
1879..	39	..	20	11	6	..	..	9	1	5	91
1880..	62	20	22	7	..	..	..	1	2	2	116
1881..	97	..	20	2	3	..	21	2	..	2	147
1882..	66	..	19	3	3	..	2	..	3	4	100
1883..	29	7	20	21	2	13	3	1	2	7	105
1884	24	11	22	14	..	19	5	1	2	1	99
1885..	28	14	22	2	1	21	2	..	3	3	96
1886..	29	..	22	8	6	15	2	1	3	9	95
1887..	24	10	24	28	5	20	..	..	3	11	125
1888..	31	10	24	34	1	20	..	..	3	12	135
1889..	21	36	29	48	3	19	3	1	3	6	169
1890..	20	37	26	24	5	22	9	1	3	2	149
1891..	29	33	26	14	4	2	..	..	3	8	119
1892..	35	68	31	9	1	..	9	..	14	5	172
1893..	57	45	32	26	10	2	..	..	56	4	232

The World's Silver Coinage, 1879-1893.

(In millions of dollars)

Year.	U. S.	Mexico.	India.	Austria.	Spain.	Great B'tain.	Japan.	South Am.	Latin Union.	Germany.	Scandin'via	Other.	Total
1879..	27	22	28	13	..	3	2	..	4	..	5	1	105
1880..	27	..	40	8	..	4	2	2	..	..	..	2	85
1881..	28	24	21	9	3	5	4	5	3	..	..	6	108
1882..	28	25	29	3	11	1	4	2	..	6	..	2	111
1883..	29	24	25	5	10	6	3	4	..	1	..	2	109
1884..	28	25	17	5	7	3	4	1	2	..	..	4	96
1885..	29	26	48	4	4	3	6	2	..	1	..	4	127
1886..	32	27	27	4	5	2	9	4	3	1	..	7	121
1887..	35	27	44	6	11	4	10	5	9	1	..	11	163
1888..	33	27	36	5	4	4	10	7	1	1	..	7	135
1889..	35	25	38	4	5	11	9	4	..	..	..	8	139
1890..	39	24	58	4	1	8	7	4	..	..	..	6	151
1891..	27	24	33	3	12	5	8	5	..	1	..	20	138
1892..	13	27	52	5	9	4	12	7	..	1	..	25	155
1893..	9	28	39	18	3	5	12	3	..	2	..	16	135

It will be observed that the coinages exceed the production in most years. This is, of course, due to large recoinages of foreign coin, each nation endeavoring to stamp as much gold as possible. The silver coinage in countries excepting United States, Mexico, India, Austria, Russia and South America, has been chiefly of subsidiary pieces and recoinage of the same. Austria has recoined most of her own gold and silver under the law changing the monetary system.

THE UNITED STATES OF AMERICA.

THE PRESENT MONETARY SYSTEM—GOLD COIN—SILVER DOLLARS—SUBSIDIARY SILVER COIN—MINOR COIN—GOLD CERTIFICATES—SILVER CERTIFICATES—UNITED STATES NOTES—TREASURY NOTES OF 1890—NATIONAL BANK NOTES—CURRENCY CERTIFICATES.

The United States of America has probably the most heterogeneous system of money of any of the civilized countries, and it is due solely to the unbounded faith of the people in the unlimited credit of the nation that all of these kinds have for so many years circulated side by side at a parity, even during the overwhelming credit panic of 1893, when in fact every form of money was held at a premium.

Of the several classes of circulating media mentioned at the outset, the people of the United States use all. The gold coin possesses full debt-paying power; the silver dollar, the United States note and the Treasury note of 1890 are equally good tenders unless otherwise specified in the contract; the gold and silver certificates and the National bank notes, while not a legal tender, are receivable for certain public taxes and by the banks; subsidiary silver coin possesses a limited debt paying power, and minor coin even less. Many changes have taken place in the history of the country, in the character, weight and fineness of the several kinds of coin, and the paper representatives have been modified from time to time as conditions required.

The coinage system was established by the act of Congress of April 2, 1792, organizing a mint.

GOLD COIN.

Gold was coined at the fineness prevailing in Great Britain, viz.: eleven-twelfths, or 916⅔-thousandths, the remaining parts, or alloy, consisting of silver and copper, not to exceed one-half of the former. The principal coin was the eagle ($10), which weighed 270 grains standard, or 247½ grains fine; half-eagles ($5) and quarter-eagles ($2½) were also provided for.

Gold coin was then made a legal tender "for all payments whatsoever," and has remained so to this day. The coinage was free and unlimited.

In 1834 (June 28), Congress changed the weight of the eagle to 258 grains standard and 232 grains pure gold; the half-eagle and quarter-eagle were reduced correspondingly; this reduced the fineness of the coinage to nearly 900-thousandths (899.225). To correct this the law of January 18, 1837, fixed the fineness at 900-thousandths; since the weight of the eagle was not changed the pure gold

therein was increased to 232.2 grains; the divisional pieces were changed in proportion.

In 1849—law of March 3—double-eagles ($20 pieces) and dollars were directed to be coined, and made full legal tender.

A revision of the coinage laws was enacted February 12, 1873; as to the gold coinage the only changes made were the introduction of a three-dollar piece, and limiting the alloy to copper alone. A coinage charge of one-fifth of one per cent. was imposed, but this was repealed in 1875 (act of January 14), so that the coinage is again free.

The coinage of gold dollars and three-dollar pieces was suspended by the act of September 26, 1890.

Descriptive Table of Gold Coins.

Denomination.	Weight.	Fineness.	Diameter.	Thickness.
Double-eagle	516 grains.	.900	1.35 in.	.077 in.
Eagle	258 "	.900	1.05 in.	.060 in.
Half-eagle	129 "	.900	.85 in.	.046 in.
Quarter-eagle	64½ "	.900	.75 in.	.034 in.

Gold coin if naturally abraded more than one-half of one per cent. in twenty years as shown by the date of coinage (or ratably for a shorter period), is a legal tender for its bullion value only.

Deduced from the above table, the value of gold of standard fineness (.900) is $18.60½, and if *fine* or pure, 20.67\frac{2}{10}$ per ounce.

Gold Coinage of the United States.

Denomination.	1793–1848.	1849–1894.	Total.
Double-eagles	.....	$1,210,703,700	$1,210,703,700
Eagles	$25,662,270	233,464,960	259,127,230
Half-eagles	45,265,355	167,656,320	212,921,675
Three-dollars	.....	1,619,376	1,619,376
Quarter-eagles	5,413,815	23,267,190	28,681,005
Dollars	.....	19,499,337	19,499,337
Total	$76,341,440	$1,656,210,883	$1,732,552,323

SILVER DOLLARS.

The original silver dollar authorized by the Mint Act of 1792, was the equivalent of the "Spanish milled dollar," containing 371¼ grains of pure silver, and weighing with the alloy 416 grains. This was, therefore, at a fineness of 892.4-thousandths, the balance being copper, and the ratio to gold was 15 to 1. The coin was called the "dollar or unit," and was a legal tender for all purposes.

The coinage was free and unlimited. By the change in the weight of the gold coins in 1834 (see *ante*), the ratio was altered to 16.002 to 1.

The law of January 18, 1837, already referred to, fixed the weight of the silver dollar at 412½ grains, and the fineness at 900-thousandths; leaving the weight of pure silver the same. This changed the ratio to 15.988 (or nearly 16) to 1, and the coining value of silver at $\$1.29\frac{29}{100}$.

The Mint Act of 1873 discontinued the coinage of the dollars by omitting it from the list of authorized coins.

In 1878 (February 28), Congress passed, over the veto of President Hayes, a law again authorizing its coinage, but in a limited amount only; not less than $2,000,000 nor more than $4,000,000 worth of silver was to be purchased monthly and coined into the dollars of 1837; the coin was made a legal tender for all debts, public and private, unless otherwise stipulated—excepting for the redemption of gold certificates of the Government. The seigniorage accrued to the Treasury. (The minimum amount was invariably coined.)

The act of July 14, 1890, provided for a coinage of silver purchased under it (see Treasury Notes of 1890, *post*) of not more than 2,000,000 ounces monthly until July 1, 1891; thereafter the coinage was limited to the amount required by the Treasury to redeem the notes issued under the same act; the seigniorage arising to be likewise coined.

The act of March 3, 1887, directed that the "trade dollars" redeemed be coined into "standard" dollars of 1878.

The coinage of silver dollars from 1793 to June 30, 1894, inclusive, has been as follows:

Prior to 1837	$1,440,517
1837 to 1877	6,605,321
Under act of 1878	378,166,793
From trade dollars redeemed	5,078,472
Under act of 1890	36,087,943
Total	$427,379,046

From July 1 to December 31, 1894, about $3,000,000 additional were coined.

Only a limited amount of dollars actually circulate, not more than $50,000,000 to $60,000,000 being outside of the Treasury at any time in recent years, notwithstanding the free transportation out of the Government offices. But those held in the Treasury are almost all on deposit for silver certificates, described hereafter.

The dollar is $\frac{8}{100}$ of an inch thick, and its diameter is 1½ inches.

SUBSIDIARY SILVER COIN.

The original mint law of 1792 made the subsidiary coins exactly proportionate in weight and fineness to the silver dollar, and they were also legal tender in any amount. The act of 1837 changed them, as exhibited in the following table (weights in grains):

	1792. Weight.	1837. Weight.	Pure Metal in Both.
Half-dollar	208	206 1-4	185 10-16
Quarter-dollar	104	103 1-8	92 13-16
Dime	41 3-5	41 1-4	37 2-16
Half-dime	20 4-5	20 5-8	18 9-16
Fineness	892.4	900	
Ratio	15 to 1	15.988 to 1	

A three-cent piece was provided for by the act of March 3, 1851, weighing 12⅜ grains, 75 per cent. thereof being silver and 25 per cent. copper; therefore, only 750-thousandths fine, and a legal tender for only thirty cents.

The act of February 21, 1853, provided for a reduction in the value of subsidiary coins, and that of March 3, 1853, made the three-cent piece of the same proportionate value; the half-dollar was thus made to weigh 192 grains, its fineness remained at 900-thousandths, the pure silver being 172.8 grains; the ratio to gold was hence 14.884 to 1. The legal tender power was limited to five dollars, and the seigniorage arising from the coinage was charged with the free distribution of the coins.

The nickel three-cent piece provided for by the act of March 3, 1863, and the nickel five-cent piece by the act of May 16, 1866 (see Minor Coin, *post*), took the places of the silver pieces of these denominations; but a few were, nevertheless, coined annually until the Mint Act of 1873 dropped them from the coinage.

Under this last mentioned act the change to the present coinage took place. The description of the pieces follows:

Denomination.	Weight.	Pure Silver.	Diameter.	Thickness.
Half-dollar	192.9	173.61	1 1-5 in.	.057 in.
Quarter-dollar	96.45	86.805	19-20 in.	.045 in.
Dime	38.58	34.725	7-10 in.	.032 in.

Fineness of all 900-thousandths. The ratio to gold is therefore 14.953 to 1. The legal tender power was continued at five dollars, but the act of June 9, 1879, increased it to ten dollars, and provided for the redemption of the coins (if not mutilated) in "lawful money," at the Treasury or any Sub-Treasury in sums or multiples of $20, and for the re-issue in like sums. The free delivery was also continued.

The half-dollar now weighs exactly 12½ grammes, two being equal to the five-franc piece of France, in weight and fineness.

A twenty-cent piece, weighing as much as two dimes, was authorized by act of March 3, 1875, but the coinage was discontinued by act of May 2, 1878.

The amount of subsidiary coin was limited by the acts of July 14, 1875, and April 17, 1876, to the sum needed to retire fractional paper currency, then about $42,000,000; the act of July 22, 1876, increased the limit to $50,000,000; but considerable sums of this coin which had disappeared during the suspension of specie

payments (1862–1878) re-appeared and there has been a redundancy of subsidiary coin for a number of years.

Annual appropriations are made by Congress to replace worn pieces with new coins.

Subsidiary Silver Coinage, 1792-1894.

Denomination.	1792-1852.	1853-1873.	1874-1894.	Total.
Half-dollars	$66,249,153.00	$33,596,082.50	$32,413,815.50	$132,259,051.00
Quarter-dollars	3,999,040.50	18,002,178.00	26,181,960.75	48,183,179.25
Twenty cents	.....	.....	271,000.00	271,000.00
Dimes	3,890,062.50	5,170,733.00	19,549,375.80	28,610,171.30
Half-dimes	1,825,126.40	3,055,093.00	.....	4,880,219.40
Three cents	744,927.00	537,160.20	.....	1,282,087.20
Total	$76,708,309.40	$60,361,246.70	$78,416,152.05	$215,485,708.15

The occasion of the World's Fair was utilized to issue souvenir coins, half-dollars and quarters; which while of a different design, possessed all the other characteristics of subsidiary coin of the United States, being also a legal tender up to ten dollars. The act of August 5, 1892, provided for $2,500,000 in halves, and that of March 3, 1893, for $10,000 in quarters.

The actual issue was as follows:

Halves of 1892	$475,000.00	
Halves of 1893	2,026,052.50	
		$2,501,052.50
Quarters of 1893		10,005.75

The coins were made from bullion obtained by melting down old subsidiary pieces; so that the circulation was not increased.

The new design for the ordinary subsidiary coins was adopted in 1891, under the law of September 26, 1890.

MINOR COINS.

The minor or token coinage of the United States was at first composed entirely of copper, but more recently nickel and bronze have been used. The original mint act (of 1792) provided for a cent weighing 11 pennyweights (264 grains) and a half cent of one-half the weight. The act of May 8, 1792, provided that when $50,000 of these coins had been struck, no other copper coins should pass current. Actually no such pieces were coined, for the act of January 14, 1793, changed the weight of the cent to 208 grains and that of the half cent to 104 grains. In 1795 the President was given power to reduce the weights of these coins, and under proclamation of January 26, 1796, he reduced them to 168 and 84 grains respectively; Congress on January 18, 1837, fixed these weights by statute.

By the act of February 21, 1857, the weight of the cent was changed to 72 grains, 88 per cent. of which was to be copper and 12 per cent. nickel. The coinage of the half cent was discontinued.

In 1864 the act of April 22 reduced the weight of the cent to 48 grains, and changed the composition to 95 per cent. copper and 5 per cent. tin and zinc. The pieces were to be legal tender to the amount of ten cents. This is the present one-cent piece, having been continued by the mint law of 1873.

The same act of 1864 provided for a two-cent piece of the same material, weighing 96 grains, and legal tender to the amount of twenty cents.

A three-cent piece composed of not more than 25 per cent. nickel and 75 per cent. copper, weighing 30 grains, and legal tender to the extent of sixty cents, was authorized by the act of March 3, 1863 ; the same act reduced the legal tender power of the cent and two-cent pieces to four cents.

A five-cent piece composed of 25 per cent. nickel and 75 per cent. copper, weighing 77.16 grains, and legal tender to the amount of one dollar, was provided for by the act of May 16, 1866 ; and this coin was made redeemable at the Treasury in sums of not less than $100.

By the act of March 3, 1871, *all* minor coins were made redeemable in "lawful money" in sums not less than $20.

The mint act of 1873 made all minor coins a legal tender to the amount of twenty-five cents, and discontinued the coinage of the two-cent piece ; the act of September 26, 1890, dropped the three-cent nickel piece from the coinage.

The present coins are, therefore :

Five-cent nickel, of 77.16 grains, 75 per cent. copper, 25 per cent. nickel.

One-cent bronze, of 48 grains, 95 per cent. copper, 5 per cent. tin and zinc.

Legal tender to the amount of twenty-five cents, redeemable at any sub-treasury in sums of $20 or more, furnished free of transportation charge from the mint at Philadelphia, and obtainable in exchange at any sub-treasury.

The dimensions are : Five-cent pieces : diameter, 4-5th of an inch ; thickness, .062 of an inch. One-cent piece : diameter, ¾ of an inch ; thickness, .043 of an inch.

Minor Coinage, 1793-1894.

Denomination.	Periods.	Amount.
Half cents	1793–1857	$39,926.11
Copper cents	1793–1857	1,562,887.44
Copper-Nickel cents	1857–1864	2,007.720.00
Bronze cents	1864–1894	7,463,898.26
Two-cent pieces	1864–1873	912,020.00
Three-cent nickels	1865–1889	941,349.48
Five-cent nickels	1866–1894	13,553.730.50
Total		$26,481,531.79

The supply of minor coin is regulated, as nearly as may be, by the apparent needs, by the Director of the Mint, under the supervision of the Secretary of the Treasury.

The pieces not now in use are retired as rapidly as they are presented for redemption at Treasury offices.

GOLD CERTIFICATES.

The Secretary of the Treasury was authorized by act of March 3, 1863, to receive deposits of gold coin and bullion and to issue therefor certificates in denominations of $20 and upward, the gold to be held in the Treasury for the payment of the certificates on demand; such certificates might also be issued upon gold in the Treasury, in payment of interest on the public debt. The act authorized the amount of certificates outstanding to exceed by 20 per cent. the gold coin and bullion in the Treasury. The certificates were not made legal tender, but were receivable for payment of duties on imports (then payable only in gold); they were payable "to order" and passed by indorsement. The issue began November 13, 1865, and was suspended December 1, 1878 (to facilitate resumption of specie payments on January 1, 1879).

Another issue of gold certificates was authorized *and directed* by the 12th section of the act of July 12, 1882. Deposits were to be received in gold coin only, in sums not less than $20, and the certificates were of denominations not less than $20, corresponding with the denominations of United States notes; the coin received to be retained in the Treasury for the payment of the certificates on demand. The limitation upon the issue is fixed so that when the amount of gold coin and bullion in the Treasury reserved for the redemption of United States notes falls below $100,000,000 the issue is suspended.

The certificates are not a legal tender, but are receivable for customs, taxes and all public dues, and when so received may be re-issued; they are also available for the reserves of National banks. They were issued payable "to bearer" only, until 1888, when a series payable "to order" was also provided by the Secretary of the Treasury, but in denominations of $5,000 and $10,000 only.

On April 15, 1893, the reserved gold fell below $100,000,000 and the issue of certificates was suspended; $100,000 were issued when in February, 1894, the reserve for a short time rose beyond that amount, and in November, 1894, there were *re-issued* $130,000 during a few days that the reserve was again in excess of the fixed sum.

These certificates as well as the silver certificates (see *post*) are merely "warehouse receipts" for the coin on deposit; while deemed an obligation of the Government, they are strictly exchangeable only into the coin which they represent.

Gold Certificates—Issues and Re-Issues.

Denomination.	Old Series, 1865-1888.	New Series, 1882-1894.	Total.
$20	$960,000	$27,360,000	$28,320,000
50	.....	21,400,000	21,400,000
100	20,234,300	24,820,000	45,054,300
500	32,844,000	29,250,000	62,094,000
1,000	121,881,000	60,300,000	182,181,000
5,000	457,885,000	62,600,000	520,485,000
10,000	314,330,000	163,000,000	477,330,000
To order, series of 1888:			
5,000	.....	51,570,000	51,570,000
10,000	.....	112,620,000	112,620,000
Total	$948,134,300	$552,920,000	$1,501,054,300

There were outstanding on June 30, 1894 (the close of the fiscal year), the following amounts :

$20	$7,464,594†
50	4,118,005
100	5,672,300
500	4,546,500
1,000	8,861,500
5,000	12,185,000
10,000	23,540,000
Total	$66,387,899

Of this total about $250,000 consisted of certificates of the old series.

SILVER CERTIFICATES.

These certificates are issued upon deposits of silver dollars (or upon such dollars held in the Treasury) under the act of February 28, 1878, which authorized the coinage of the dollars. At first deposits were limited to $10 or a multiple thereof, and certificates to denominations of $10 and upward; but the act of August 4, 1886, required the issue of such certificates in denominations of $1, $2 and $5. The issue is, of course, limited to the amount of silver dollars deposited in the Treasury. The certificates are not a legal tender, but are receivable for customs, taxes and all public dues ; when so received they may be re-issued; and by the act of July 12, 1882 (section 12), may be held by National banks as part of their reserves.

Silver Certificates Issued and Outstanding.

Denomination.	Issues and Reissues.	Outstanding June 30, 1894.
$1	$97,516,000	$22,281,229.10*
2	62,184,000	15,366,373.40*
5	231,840,000	87,651,884.50
10	294,354,000	104,611,711.00
20	168,866,000	68,849,576.00
50	31,470,000	13,156,510.00
100	49,610,000	24,226,220.00
500	16,450,000	483,000.00
1,000	26,890,000	522,000.00
Total	$979,180,000	$337,148,504.00

* Fractions due to fractional redemption.

UNITED STATES NOTES.

Prior to 1861 no notes not bearing interest were issued by the United States. But on July 17, 1861, Congress directed the issue of $50,000,000 of demand notes in denominations less than $50, in exchange for coin or in payment of debts due by the Government ; the notes were to bear no interest, but were receivable for

† Fractional parts of paper money are redeemed in proportion ; this accounts for odd amounts here and elsewhere in this volume.

customs and all public dues, and might be re-issued ; they were redeemable on demand at the sub-treasuries in New York, Philadelphia or Boston. The power to issue them was limited to December 31, 1862.

An additional amount of $10,000,000 was authorized by the act of February 12, 1862. In all $60,030,000 were issued in denominations of $5, $10 and $20 ; by June 30, 1863, over $56,000,000 were canceled, and on June 30, 1894, there were outstanding only $54,847.50.

The act of February 25, 1862, went a step farther, directing the issue of $150,000,000 of notes, bearing no interest, and making them a legal tender for all debts, public and private, excepting custom duties and interest on the public debt. The notes were, however, convertible into 6 per cent. 5-20 year bonds in sums of $50. At first no denominations under $5 were permitted ; this was changed in June of that year ; $50,000,000 of the issue was to be used in redeeming the demand notes of 1861 ; and the notes when received into the Treasury might be re-issued. On June 11, 1862, Congress increased the issue to $300,000,000, and on March 3, 1863, to $450,000,000. This last law limited the right to convert the notes into bonds to July 1, 1863.

The highest amount of notes outstanding at any time was $449,338,902 on January 3, 1864.

The issue was limited by act of June 30, 1864, to $400,000,000 beside $50,000,000 to be used for a short time to redeem temporary loans. When this was completed the volume was gradually reduced, but Congress, by act of April 12, 1866, limited the retirement to $10,000,000 monthly for six months and $4,000,000 monthly thereafter ; authority was also given to fund the notes into bonds.

By December 31, 1867, the amount outstanding was reduced to $356,000,000 ; and by act of February 4, 1868, the further retirement of notes was suspended. (This act became law without the President's approval.)

On March 18, 1869, Congress solemnly pledged the faith of the United States to the payment of these notes in coin or its equivalent and to make provision at the earliest practical period for their redemption in coin. This was called "The Public Credit Act."

During the panic of 1873 the Treasury increased the amount outstanding by issuing from the presumed reserve of $44,000,000, nearly twenty-seven millions, bringing the amount outstanding up to $382,979,815. The act of June 20, 1874, fixed the maximum amount of these notes at $382,000,000.

The act of January 14, 1875, provided that the notes be redeemed in coin, in sums not less than $50, at the sub-treasury in New York on and after January 1, 1879 ; authorized the retirement of such notes to an amount equal to 80 per cent, of the new National-bank circulation then being issued, but not to exceed $82,000,000. The Secretary of the Treasury was also authorized to sell bonds to obtain coin, and to add such coin as might be available in the Treasury to provide for the redemption of the notes on and after January 1, 1879. For this purpose the Treasury accordingly sold bonds, for which $96,500,000 was obtained.

The retirement of notes followed until Congress on May 31, 1878, prohibited the further cancellation and directed the reissue of such as might be received or

redeemed by the Treasury. The amount outstanding has therefore ever since remained at $346,681,016, as it was at the close of business on the day the act was approved.

Specie payments having been suspended generally, in all the States east of the Rocky Mountains, in December, 1861, gold commanded a premium and the United States notes fell below par and continued so until the end of 1878. The premium on gold and the gold value of the notes fluctuated as follows during the period :

Year.	Currency Price of Gold. January.	Gold Price of Currency. January.	Price of Gold During the Year.		Average Gold Value of U. S. Notes.
			Highest.	Lowest.	
1862	$1.03	97.09 cts	$1.34	$1.01⅛	88 cts.
1863	1.33⅝	74.84	1.72½	1.22⅛	69
1864	1.51⅝	65.95	2.85	1.51½	49
1865	1.44¼	69.32	2.34⅜	1.28½	64
1866	1.44½	69.20	1.67¾	1.25½	71
1867	1.33	75.18	1.46⅜	1.32⅛	72
1868	1.33¼	75.04	1.50	1.32	72
1869	1.35	74.07	1.62½	1.19½	75
1870	1.20	83.33	1.23¼	1.10	87
1871	1.10¾	90.29	1.15⅜	1 08⅜	90
1872	1.09½	91.32	1.15⅜	1.08½	89
1873	1.12	89.28	1.19⅛	1.06⅛	88
1874	1.10¼	90.70	1.14⅜	1.09	90
1875	1.12½	88 89	1.17⅝	1.11¾	87
1876	1.12¾	88.69	1.15	1.07	90
1877	1.07	93.46	1.07⅞	1.02½	96
1878	1.02⅞	97.21	1.02⅞	1.00	98

Resumption of Specie Payments.—On January 1, 1879, the Treasury with over $114,000,000 of gold in its vaults in excess of outstanding gold certificates, began the redemption of these notes at the sub-treasury in New York as rapidly as they were presented. The redemption for that month amounted to only $1,571,725 ; and the entire amount redeemed (afterward reissued) to June 30, 1894, was $163,098,829. As the notes were, after January 1, 1879, equivalent to gold, the Treasury accepted them for duties on imports without compelling the holders to obtain the coin for that purpose.

The act of March 3, 1887, provided that thereafter the notes might be redeemed at the sub-treasury in San Francisco also.

The act of July 12, 1882, as already mentioned (*ante*, "Gold Certificates"), in a sense fixed the fund for redemption purposes at $100,000,000 ; and from May, 1885, this amount has always been considered and reported in the official statements of the Treasury as a separate and distinct fund, held for this specific purpose.

Under the construction by the Treasury of the "parity" clause of the act of July 14, 1890 (see *post*, "Treasury Notes"), the fund was also used to redeem in gold, when demanded, the notes issued under this act and the fund consequently

diminished rapidly, until in April, 1893, it fell below the $100,000,000 specified; and by January, 1894, the reserve was down to $65,650,000. Accordingly the Secretary of the Treasury, under the authority of the "Resumption Act" of 1875, which provided for the sales of either 5 per cent. ten-year bonds, 4½ per cent. fifteen-year bonds, or 4 per cent. thirty-year bonds to obtain coin, sold $50,000,000 of 5 per cent. bonds at about a 3 per cent. basis, thus replenishing the reserve. The redemption of notes continued, however, until August, reducing the gold to nearly $52,000,000. Accordingly in November, 1894, another issue of $50,000,000 of 5 per cent. bonds was negotiated on a basis yielding 2⅞ per cent., restoring the reserve for a short time. On December 31, 1894, the reserve stood at $88,000,000.

The amount of gold in the Treasury in excess of the sum required to redeem gold certificates fluctuated as follows since resumption:

Amount of Net Gold (Coin and Bullion) in the Treasury.

(In millions of dollars.)

Years.	At the End of	Highest.	At the End of	Lowest.
1879	October	157.1	January	116.6
1880	December	150.2	July	115.2
1881	November	173	January	148
1882	February	168.5	December	131.9
1883	October	157.3	January	125.6
1884	January	144.3	July	119
1885	December	147.9	May	115.8
1886	December	170.9	January	136
1887	December	208.6	January	168.4
1888	March	218.8	October	191
1889	March	197.8	August	180.6
1890	May	190.5	September	147.9
1891	February	149.7	June	117.6
1892	March	125.8	July	110.4
1893	January	108.1	December	65.6
1894	December	111.1	August	52.2

Legal Tender and Taxation.—Early in the history of the United States notes the power given by the law of 1862, making them legal tender, was contested in the courts; at first (Hepburn vs. Griswold, 8 Wall, 603) the constitutionality of this portion of the law was denied by the Supreme Court; subsequently, however (legal-tender cases, 12 Wall, 457), this decision was reversed, and the latter decision has since then been construed as the law of the land.

The power of Congress to authorize the reissue of these notes, as provided in the act of May 31, 1878, after redemption under the resumption act, was questioned. The Supreme Court in Juillard vs. Greenman (110 U. S., 404), held that Congress had the power; and further that Congress had the power to issue notes and declare them a legal tender, in time of peace as well as in time of war.

A further question arose as to the power to tax United States notes under State and municipal laws, the act of 1862 having declared all bonds and other securities of the United States exempt from such taxation; the Supreme Court

held that the notes were "obligations" and to be classed as "securities," hence not subject to such taxation. (Bank vs. Supervisors, 7 Wall, 26.)

The act of August 15, 1894, repealed the laws exempting notes from taxation.

United States Notes Issued and Outstanding.

Denomination.	Issues and Reissues.	Outstanding June 30, 1894.
$1	$186,212,160	$3,052,444.20*
2	183,691,048	2,470,402.80
5	462,041,760	52,784,784.00
10	466,531,240	84,094.285.00
20	438,602,400	95,125,750.00
50	131,285,200	14,133,400.00
100	162,894,000	23,990,950.00
500	198,376,000	12,039,000.00
1,000	361,628,000	59,965,000.00
5,000 †	20,000,000	15,000.00
10,000 †	40,000,000	10,000.00
Total	$2,651,261,808	$347,681,016.00
Less amount destroyed in Chicago fire, denominations unknown		1,000,000.00
Net outstanding		$346,681,016.00

* Fractions due to fractional redemptions.
† Issued temporarily (1880-1882) during the suspension of the issue of gold certificates.

TREASURY NOTES OF 1890.

The act of July 14, 1890 (sometimes designated the "Sherman Act"), directed the Secretary of the Treasury to purchase monthly 4,500,000 ounces of fine silver bullion or so much thereof as might be offered, at the market rate, not to exceed $1 for 371¼ grains of fine silver. (This, it will be recalled, is the weight of the pure silver in the standard dollar.) To pay for the bullion so purchased, Treasury notes, in denominations of not less than $1 nor more than $1,000, were to be issued.

These notes were made redeemable *in coin* at the Treasury or any sub-treasury, and might be reissued; were also made a legal tender for customs duties and all debts except when otherwise expressly stipulated, and to be counted as part of the reserve of any National bank holding them.

The redemption provided for might be in gold or silver coin at the discretion of the Secretary of the Treasury, and, to provide silver for the purpose, 2,000,000 ounces were to be coined monthly until July 1, 1891, into dollars authorized by the act of February 28, 1878; thereafter such dollars to be coined only when necessary to provide for such redemptions; the seigniorage arising from the coinage to accrue to the general fund of the Treasury.

So much of the act of 1878 requiring the purchase and coinage of silver was repealed.

A specific limitation of the amount of notes to be issued under the act was as follows: "No greater nor less amount . . . shall be outstanding at any time than the cost of the silver bullion, and the standard silver dollars coined therefrom, then held in the Treasury, purchased by such notes." Thus if the bullion purchased cost $20,000,000 and $10,000,000 worth thereof were coined into dollars, producing, owing to the low price of silver, $13,000,000 of such dollars, $10,000,000 of the coin and the remaining $10,000,000 worth of bullion must be held for the notes issued, the balance of $3,000,000 being the profit or seigniorage accruing to the Treasury; and on such dollars, when in the Treasury, silver certificates were issued under the act of February 28, 1878.

An important clause of the act of 1890 was the one declaring it to be "the established policy of the United States to maintain the two metals (gold and silver) on a *parity* with each other, upon the present legal ratio (15.988 to 1) or such ratio as may be provided by law."

In order to accomplish this, it became necessary, when Treasury notes were presented for redemption, to pay on demand either gold or silver as the *holder* might prefer; a refusal to do so would have made the notes silver notes. Congress having provided no special gold fund for this purpose, the available gold in the Treasury was used; occasion having soon thereafter arisen for large exportation of gold, this fund was drawn upon very heavily and seriously decreased, as has been shown before. (*Page 29.*) Treasury notes were redeemed in gold to June 30, 1894, to the amount of $67,154,562.

The notes so redeemed were reissued, as were also such as were redeemed in silver dollars up to August, 1893. Subsequent to the latter date the notes redeemed in silver have been canceled and destroyed.

By the act of November 1, 1893, so much of the law of 1890 directing the purchasing of silver and the issue of notes, was repealed.

The following table exhibits the operations under the law which went into effect August 13, 1890, to June 30, 1894:

Silver bullion purchased, 168,674,682 fine oz., cost		$155,931,002
Bullion coined into dollars, 27,911,768 fine oz., cost		29,110,647
Average cost per fine oz	$ 0.9244	
Balance (after allowance for wastage), 140,699,344 fine oz., cost		126,757,819
The bullion produced	$36,087,943	
After deducting seigniorage (some $6,900,000), there remain for redemption of Treasury notes		29,173,183
Treasury note issue		$155,931,002
Redeemed and canceled		3,346,585
Outstanding June 30, 1894		$152,584,417

The coinage of dollars was resumed soon after July 1, 1894, and to the end of the year over $3,000,000 were coined.

The bullion in the Treasury, on June 30, 1894, was sufficient to coin about $182,000,000; but it is necessary to provide only 126,757,819 dollars for the redemption of the notes represented by that bullion. The profit or seigniorage thereon would therefore be a little more than $55,000,000. It would take about five years to coin all of this bullion.

Treasury Notes Issued and Outstanding June 30, 1894.

Denomination.	Issues and Reissues.	Outstanding.
$1	$25,344,137	$12,829,457
2	22,048,000	10,346,325
5	54,140,000	33,819,185
10	61,000,000	41,240,890
20	26,640,000	20,110,660
50	1,170,000	1,048,900
100	17,570,000	11,627,000
500	.....	.....
1000	43,100,000	21,562,000
Total	$251,012,137	$152,584,417

NATIONAL BANK NOTES.

After the suspension of specie payments by the State banks in December, 1861, a *National banking* system was proposed, but the bill providing therefor was laid aside; it was finally passed on February 25, 1863; this law was found defective in many respects and an amended or substitute act was passed June 3, 1864.

The life of each association was limited to twenty years. The minimum capital was fixed at $50,000; circulating notes could be issued only upon a deposit of United States bonds to the amount of not less than $30,000, and not less than one-third of the capital stock paid in, whereupon notes to an amount not exceeding 90 per cent of the par value of the bonds, in blank, but duly countersigned by the Treasury officers (certifying that the bonds are deposited in the Treasury) were to be furnished the banks for signature and issue. No bank could receive and issue notes in excess of its capital stock. The aggregate issue was limited to $300,000,000. The denominations of notes authorized were $1, $2, $5, $10, $20, $50, $100, $500 and $1,000; but only one-sixth of the issue could be in denominations under $5, and after the resumption of specie payments no such small notes were to be issued.

The notes were not made legal tender, but receivable at par in payment of dues to the United States, except duties on imports, and for payments by the United States except interest on public debt or redemption of National currency; and they were receivable by any National bank at par for debts owing to it.

The bonds were provided as security for the ultimate redemption of the notes, but each bank was obliged to redeem its own notes at its counter on demand in "lawful money," *i. e.*, legal tender, but it might, in addition, designate another National bank in any of the reserve cities specified by the act, as its redemption agent. Moreover the shareholders are liable to double the amount of stock held by them.

To provide for such redemptions, an amount of lawful money equal to 15 per cent. of the notes in circulation and of deposits was to be held either in the bank, or to the extent of 60 per cent. with its reserve or redemption agent; and the National

banks in the specified cities were to hold as much as 25 per cent. of their circulation and deposits in lawful money, half of which might be in New York city National banks acting as the redemption or reserve agents of banks in other "reserve cities."

Notes of failed banks were redeemed by the Treasurer from proceeds of the sales of bonds. Worn or mutilated notes are replaced by the Treasury, the cost of replacing them to be paid by the banks.

The act imposed a tax of one per cent. per annum on the average amount of circulation, determined semi-annually, and of one-half per cent. per annum on deposits and on capital stock beyond that invested in bonds of the United States. The tax on deposits and capital was repealed by act of March 3, 1883, but that on circulation remains.

Provision was also made for protesting notes when redemption was refused, and for placing the bank in a receiver's hands for such refusal to redeem.

The act of March 3, 1865, limited the amount of the note issue of banks with a capital in excess of $500,000 to 80 per cent. of the capital; in excess of $1,000,000 to 75 per cent., and over $3,000,000 to 60 per cent.; it also provided that the aggregate amount authorized to be issued be apportioned to the banks in States and Territories, $150,000,000 according to population, and the remainder according to existing banking capital, resources and business.

The act of July 12, 1870, increased the authorized issue by $54,000,000, to be apportioned, by preference, to States or Territories having less than their quota, according to the census; no banks, organized after that date, could issue more than $500,000 in notes; and the Treasury was directed to equalize the circulation by apportionment after (but not before) the issue of the above additional amount; reductions might from time to time be made in the amount issued by banks in States having an excess. Under the act of June 20, 1874, this equalization was to take place *before* the issue of the additional $54,000,000, and banks were authorized to deposit lawful money with the Treasury (withdrawing their bonds) at any time, to reduce circulation, not to exceed in all $55,000,000, provided that the amount of bonds on deposit for any one bank were not reduced below $50,000. The additional issue was increased to $55,000,000, to be apportioned as before provided. The act of January 14, 1875 (resumption act), repealed all provisions limiting the increase or decrease of National-bank circulation, apportionment, etc.

The act of June 20, 1874, also abolished the requirement of a lawful money reserve for the redemption of notes and the provision for redemption agents. It continued the requirement of reserve on account of deposits, and compelled the banks to keep on hand in the Treasury lawful money for the redemption of notes, equal to 5 per cent. of their circulation, such amount to be counted as part of the reserve for deposits; the Treasury became thus the redeeming agent, the expense being borne by the banks. They were not, however, relieved of the duty of redeeming their own notes upon demand.

The charter limit of many of the banks would have expired in 1883 and 1884; accordingly the act of July 12, 1882, provided for the extension of the charters for another period of twenty years. It also provided that banks having a capital of

$150,000 or less need not have more than one-fourth of the amount of such capital on deposit in bonds to secure circulation, thus reducing the minimum to $12,500, the minimum capital remaining at $50,000 as theretofore; the reduction of circulation consequent upon this provision and for other reasons, was limited to $3,000,000 per month; and a bank reducing its circulation was prohibited from again increasing it within six months.

There are a few National banks having bonds on deposit but no circulation outstanding.

National Bank Notes Issued and Outstanding June 30, 1894.

Denomination.	Issues and Reissues.	Outstanding.
$1	$23,169,677	$357,050
2	15,495,038	174,282
5	623,656,460	61,510,485
10	535,638,070	66,006,800
20	337,866,380	48,685,320
50	108,143,650	10,274,550
100	168,220,000	19,680,800
500	12,289,500	133,500
1000	7,454,000	32,000
Total	$1,831,932,775	$206,854,787

The highest amount outstanding at the close of any fiscal year was $358,742,034 in 1882, and the lowest, $167,550,906 in 1891.

The decrease in the volume of National-bank circulation is largely due to the decrease in the amount of the bonded debt of the United States and to the relatively high premium on the existing bonds. This latter feature compels the investment of so large an amount of money to obtain the required bonds, upon which only 90 per cent. of the par can be issued in notes and loaned, that the money if loaned out in the first instance would produce a larger income when the tax and other expenses on circulation are considered. This is especially the case when rates for money are in excess of 6 per cent., as is illustrated by the following calculation, based upon a 6 per cent. rate for money, with 4 per cent. bonds at 116¾:

$100,000 fours at 116¾; interest		$4,000.00
Circulation, 90 per cent. on par value	$90,000.00	
Deduct 5 per cent. redemption fund	4,500.00	
Loanable circulation invested at 6 per cent	$85,500.00	5,130.00
Gross receipts		$9,130.00
Deduct: One per cent. tax on circulation	900 00	
Annual cost of redemption	137.48	
Express charges	3.00	
Cost of plates for circulation	7.50	
Agents' fees	7.50	
Examinations	43.00	
Sinking fund reinvested quarterly to cover premium	696.36	
		1,794 84
Net receipts		$7,335.16
$116,750 loaned at 6 per cent		7,005.00
Profit on circulation		$330.16

If the interest rate were 7 per cent., instead of 6, the profit would be only $18.

In other words, if the funds of a bank having $116,000 to invest were loaned out originally at 7 per cent., instead of being used in organizing a bank under the National system, the loss would, on the face of the transaction, be only $18, and the institution would have been free from the additional restrictions of the National-bank act.

With relatively cheap bonds, the profits are larger; but since the retirement of the 3 per cent. bonds issued under the act of July 12, 1882, all Government bonds have been relatively high in price, and limited in volume.

From 1865 to 1877, the Government issued only 5 and 6 per cent. bonds, and the volume was in excess of $1,750,000,000; the market price of these issues ranged from $89 to $125 in currency.

From 1877 to 1881, 4½ and 4 per cent. bonds took the place of most of the 6 per cents., and a portion was continued at 3½ per cent., as were also the remaining 5 per cents.

From 1882 to 1886, 3 per cents. replaced those bearing 3½ per cent., and during the greater part of this period such bonds could be purchased at par, or at a slight premium; while the 4 per cents. were quoted at a premium of from 17 to 29 per cent., which placed them beyond the reach of banks. There were in 1882 still over $1,500,000,000 of bonds in the aggregate; but by 1886 the amount had fallen below $1,200,000,000.

Between 1886 and 1891, nearly one-third of the 4 per cents. were retired, and all but $25,000,000 of the 4½ per cents. were redeemed, this small amount being continued at 2 per cent.; leaving available, beside these, only $560,000,000 of 4 per cents.; $64,000,000 of Pacific Railroad 6 per cents., and $100,000,000 of new 5 per cents. recently issued; a total of about $750,000,000, bringing, at their usual market price, an income of less than 3 per cent.

The changes of the bonded debt have been as follows, at the end of each fiscal year (June 30), from 1866 (in millions of dollars):

1866	1,213	1874	1,789	1881	1,690	1888	1,001
1867	1,634	1875	1,773	1882	1,514	1889	880
1868	2,092	1876	1,761	1883	1,389	1890	776
1869	2,166	1877	1,761	1884	1,277	1891	675
1870	2,051	1878	1,845	1885	1,246	1892	649
1871	1,953	1879	1,952	1886	1,196	1893	649
1872	1,845	1880	1,775	1887	1,072	1894	699
1873	1,760						

These figures include the $64,000,000 of bonds issued in aid of Pacific railroads.

Notwithstanding the untoward conditions tending to discourage the organization of National banks, the number of banks has been increasing, although, as will be seen in the tables presented farther on, the circulation has diminished very rapidly since 1883. The number of National banks in existence at the dates named, with their capital stock, were as follows:

October, 1863, 66 banks	$7,188,393	capital paid up.
October, 1873, 1,976 "	491,072,616	"
October, 1883, 2,501 "	509,699,787	"
October, 1894, 3,756 "	672,671,365	"

The number of banks organized from the beginning of the system to October 31, 1894, has been 4,980 ; their original capital stock amounting to $715,263,182 ; 969 banks with a capital of $131,098,500 voluntarily liquidated ; 267 banks with a capital of $46,685,900 failed ; but 12 of the latter were restored to solvency. The liabilities of the remaining 255 banks amounted to $109,936,458 ; the *nominal* assets to $158,010,847 ; shareholders were assessed for deficiencies $24,051,050. The actual collections from assets and assessments, including $21,871,822 of offsets, has been $96,916,595 ; still uncollected $43,846,521.

The payments to creditors have amounted to 71 5-7ths of the gross liabilities ; in some 65 cases all claims were settled in full ; 125 cases are still in course of settlement. Of course the circulating notes of the failed banks have all been paid in full from the proceeds of the bonds sold.

The tax on circulation paid into the Treasury from the organization of the National-banking system to June 30, 1894, amounted to $75,834,997.17 ; the tax on deposits to 1883 amounted to $60,940,067.16 ; and the tax on capital to $7,855,887.74 ; a total of $144,630,952.07.

National gold banks were authorized by the bank act of 1864 (for the Pacific slope) ; their notes were to be payable in gold, none to be issued in denominations less than $5 ; limited in each case to 80 per cent. of the par value of the bonds deposited, and the capital of no bank to exceed $1,000,000. The restriction as to capital was repealed January 10, 1875. The act of February 14, 1880, authorized the conversion of these banks into ordinary National banks, the need for distinct organizations having passed when resumption became assured.

National-Bank Redemption Fund.—The fund of moneys deposited to retire the notes of banks reducing circulation, or of such banks as went into voluntary or involuntary liquidation, grew to considerable proportions as will be seen by the following table. In order not to have such an amount of money kept out of circulation, Congress, by the act of July 14, 1890, provided that the amount be used by the Treasury, and the notes be redeemed, when presented, out of the general fund of the Treasury against which it should appear as a charge and be reported monthly in the statement of the debt.

The balances of "lawful money" deposits of National banks failed, liquidating or reducing circulation, at the close of each fiscal year, were as follows :

1867	.....	1881	$33,146,858
1868	$126,849	1882	37,056,729
1869	434,160	1883	36,157,910
1870	1,017,565	1884	39 368,121
1871	2,727,108	1885	38,596,332
1872	2,826,059	1886	60,248,705
1873	1,917,602	1887	97,992,918
1874	3,827,612	1888	91,952,843
1875	18,203,667	1889	78,051,136
1876	25,972,360	1890	55,619,359
1877	12,991,361	1891	40,018,392
1878	9,797,513	1892	26,763,509
1879	11,596,061	1893	20,663,437
1880	19,337,621	1894	26,371,685

The amounts of these deposits aggregated to June 30, 1894, $490,446,800.75. The redemptions of notes amounted to $464,075,115.25, as follows :

Notes of failed banks	$15,479,267.50
Notes of liquidating banks	143,742,098.75
Notes of reducing banks	304,853,749.00

NATIONAL-BANK DEPOSITARIES.—The National-bank act provided that upon a deposit of bonds to secure the same, deposits of public moneys received from internal taxes, etc., might be made with National banks. This has been a convenience to the Government, and has kept considerable sums of money in use at times when it would otherwise have been locked up in the Treasury. At present 155 banks are so used, having public moneys amounting to about $14,000,000 on deposit, secured fully by bonds held by the Treasurer. These banks received during the fiscal year 1894, over $147,000,000 and disbursed or transferred the same without loss.

Statement of 3,737 National Banks, December 19, 1894.

RESOURCES:		LIABILITIES:	
Loans	$1,991,913,123	Capital stock	$666,271,045
U. S. bonds to secure notes	195,735,950	Surplus	244,937,179
Other bonds, etc	249,269,705	Profits	95,887,437
Due from banks	390,092,220	Notes in circulation	169,337,071
Due from Treasurer U. S.	1,289,077	State bank notes	66,291
Other assets	98,659,789	Due to banks	514,964,788
Checks	93,920,258	Dividends unpaid	1,130,390
Cash: Gold and certificates	175,794,767	Deposits, individual	1,695,489,346
Silver and certificates	42,246,456	Public deposits	14,016,742
U. S. notes and certificates	156,603,472	Other liabilities	21,374,584
Five per cent. fund	8,542,387		
National-bank notes	18,522,596		
Minor coin, etc	885,073		
Total	$3,423,474,873	Total	$3,423,474,873

CURRENCY CERTIFICATES.

Certificates of deposit payable to order are issued to National banks for United States notes, by the Treasurer or any assistant-treasurer in denominations of $10,000 (formerly also $5,000), under the act of June 8, 1872. These certificates bear no interest, and the notes are held on special deposit to redeem them at the place where issued. They are chiefly used in the settlement of clearing-house balances and in the reserves of the banks.

The movement of these certificates has been as follows to June 30, 1894 :

5000s issued, $102,630,000 ; outstanding, $395,000. 10,000s issued, $1,030,330,000 ; outstanding, $58,840,000.

The banks are to a large extent relieved from the care of a redundant issue of small denominations of United States notes by these certificates.

The highest amount out at the close of any fiscal year was $59,045,000 in 1875, the lowest $9,020,000 in 1887.

Only meagre reports of the transactions of the bank appear available. It had in January, 1809, a circulation of $4,500,000, and two years later over $5,000,000; its specie was reported at $5,000,000. Its charter expired in 1811. The Government's stock was sold by 1802 at premiums as high as 45 per cent., and including the dividends received, the United States made nearly 57 per cent. on this transaction.

Application was, of course, made to Congress to renew the charter as early as 1808, but without success, largely due to the opposition of the State banks, which objected to the monopoly. The Government moneys were accordingly removed to these banks after 1811; the war of 1812 intervening, specie payments were suspended by all of them south of New England in 1814; about one hundred of these banks held $9,000,000 of the Treasury's funds.

The State banks were at this period quite numerous, but except in New England, not under careful supervision; the suspension of specie payments removed the only apparent check upon note issues, and an expansion took place reported to have been from $28,000,000 in 1811 to $110,000,000 in 1815. Being the sole medium of exchange, issued in denominations as low as 6 cents and irredeemable, great distress resulted; the public debt increased rapidly, the bonds of the United States selling at a discount of 15 per cent., for currency depreciated 20 and 25 per cent.

Reports of banks are not available prior to 1834, excepting for Massachusetts, which began in 1803 to require them; but the meagre history of certain State banks for the period shows that the system prevailing generally was exceedingly lax. Bank charters were frequently given as the spoils of party to favored individuals, and it is charged that bribery was at times resorted to to obtain them. There was no guarantee that the capital stock was paid in; very frequently it was not. And yet, at this time, until the organization of the second bank of the United States in 1816, the banking interests were important, as the following table shows:

State Bank Statistics, 1784–1816.

	No. of Banks.	Capital.	Circulation.	Specie.
1784	3	$2,100,000	$2,000,000	$10,000,000
1790	4	2,500,000	2,500,000	9,000,000
1792	16	17,100,000	11,500,000	18 000,000
1800	28	21,300,000	10,500,000	17,500,000
1804	59	39,500,000	14,000,000	17,500,000
1811	89	52,750,000	28,100,000	15 400,000
1813	..	65,000,000	66,000,000	28,000,000
1814	..	80,000,000	.....	.....
1815	208	88,000,000	104,500,000	16,500,000
1816	246	89,000,000	68,000,000	19,000,000

The disaster, only partially shown in the disappearance of $26,000,000 of the circulation in one year, led many members of Congress who had previously opposed it, to vote in favor of the renewal of the charter of the Bank of the United States; the bill passed January 20, 1815, but was vetoed by President Madison. A second bill was approved by him April 10, 1816.

THE SECOND BANK OF THE UNITED STATES.

The charter was for twenty years—to March 3, 1836. The capital stock was $35,000,000, of which the Government took $7,000,000; and five of the twenty-five directors were appointed by the President. The indebtedness of the bank exclusive of deposits was limited to the amount of its capital stock, and its notes were receivable in all payments to the United States. It took charge of the Treasury funds, transfers of stock and negotiation of loans for the Government, free of charge. The Secretary of the Treasury had the power, however, to direct the deposit of public moneys, elsewhere than in the bank and its branches.

As to notes, none of denominations less than $5 were authorized, and all smaller than $100 were to be payable on demand; if payment in specie was suspended the bank became liable for interest on the notes at 12 per cent. per annum. The directors were made personally liable for debts contracted in excess of the capital and deposits.

Directing officers for the branches, which might be established anywhere in the United States, were appointed by the directors of the bank.

Congress pledged itself to grant no other bank charter (except in the District of Columbia) during the existence of the bank.

On the 7th of January, 1817, in the midst of the depression which lasted from 1814 to 1820, the bank began business. It appears that prior to 1819 the charter was violated four times, but Congress refused to repeal it.

In 1819 the bank imported $7,000,000 in specie from Europe at an expense of $500,000, to aid in restoring stability. This expense, and other serious losses, threatened the bank seriously; but from 1820 the country and the bank prospered, and all opposition to it appeared to have been dissipated.

But as early as 1829 President Jackson raised the constitutional objection against renewing the charter; it became a political question almost at once. Congress did not agree with the President; but nevertheless his Secretary of the Treasury, Taney, gave notice that after October 1, 1833, the public deposits would be made in State banks, the amount in the bank to be gradually withdrawn by payments of Government expenses. The State banks thus supplied with large amounts of cash began a system of expansion; attracted by this opportunity new banks were organized without safeguards; the circulation increased from $94,000,000 in 1834 to $149,000,000 in 1837. The bank naturally defended itself and party feeling ran high, but its charter was not renewed. It was freely charged that the bank contributed largely to the suspension of specie payments in 1837 and the panic which followed; but the condition of the State banks was such that the crisis could hardly have been averted.

After the expiration of its Federal charter the bank continued under a charter from Pennsylvania until 1841, when it succumbed. Its affairs were finally settled in 1856. Its notes and deposits were paid in full; but the private shareholders, representing $28,000,000, lost all of this;—the $7,000,000 stock held originally by the Government was paid back long before,—the Government having profited in all over $6,000,000 by the transaction,

THE STATE BANKS

which received the deposits were in a large measure loosely organized and managed. As before stated, Massachusetts and the rest of New England had fairly solid institutions. This was largely due to the penalty imposed for failure to redeem notes, and to the "Suffolk Bank System," inaugurated by the New England Bank of Boston in 1813, continued by other banks and finally by the Suffolk Bank of Boston alone.

The practice arose when the banks of Boston compelled other banks to redeem their notes on presentation or incur the penalty. First the notes were presented for redemption directly at the bank of issue; but subsequently the notes were redeemed at the Boston agency of the issuing bank. This system operated to restrict the note issues within wholesome limits, and as a result no Massachusetts bank suspended payment in 1814. And this was done in the absence of a comprehensive banking law; it was not until 1829 that such a law, limiting the powers of banks and fixing liabilities of directors, was enacted. It was not, however, sufficiently comprehensive, and the panic of 1837 caused thirty-two of the banks to suspend. From 1784 to 1836 only ten had failed.

New York possessed a banking system under which charters were given to favored parties, largely as political party spoils; the troubles of 1814-1820 were felt there as well as elsewhere, though not in the same degree. In 1821 a constitutional restriction requiring a two-thirds vote of the Legislature to grant charters, was adopted, but it did not serve the purpose of restricting the favoritism.

In 1829 a system known as the "safety fund system" was adopted, requiring the establishment of a fund for the security of note-holders (and at first depositors as well), by a tax of ½ of 1 per cent. annually upon the capital stock of the banks, until the fund amounted to 3 per cent. of the bank capital.

Other States had pursued various courses in establishing banks. Ohio, Indiana, Illinois, Tennessee and Kentucky tried State banks, in which the State was more or less directly interested, as well as specially chartered institutions. Other States experimented with all of the various forms then in use; but very few of the banks organized between 1803 and 1837 escaped the troublous times of the period following the last mentioned year.

The following incomplete tables exhibit the conditions of the State banks by geographic sections of the country at various dates, amounts being given in millions and tenths.

The first table is confined to a statement of the number of banks and their capital; other statistics being unavailable. It was not until 1832 that the Federal Government provided by law for the collection of statistics of the banking interests of the country. Prior to that date the secretaries of the Treasury, from time to time, collected data, but these are very incomplete.

In the first table, the marked and steady growth of New England institutions is conclusive proof of the solidity of the system of banking prevailing there. Instead of a decrease between 1820 and 1830, these States show an increase of 60 banks, with $15,400,000 capital; the Middle States (including New York, New Jersey, Pennsylvania, Delaware, Maryland and the District of Columbia) showed

a slight decrease; the Southern States (including all south of the Potomac and Ohio rivers) suffered most severely during the period, while the States of the West (represented by Ohio, Indiana, Illinois, Michigan and Missouri) were almost equally unfortunate.

Table I.—Number and Capital of State Banks, 1801–1830.

	1801.		1805.		1811.		1815.		1816.		1820.		1830.	
	No.	Capital.	No.	Capital.	No.	Capital.	No.	Capital.	No.	Capital.	No.	Capital.	No.	Capital.
New England States.	18	7.6	47	13.3	47	12.2	63	19.0	76	20.8	92	19.9	172	35.3
Middle States.....	12	12.9	20	21.3	25	21.6	111	49.0	116	49.9	116	49 0	115	47.7
Southern States.....	*2	3.0	7	5.6	12	7 8	22	12.8	33	17.0	74	30.9	30	25.7
Western States.....	..	...	†1	0.2	4	0.9	12	1.4	21	2 1	25	2.4	12	1.5
Total.....	32	23.5	75	40.4	88	42.6	208	82.2	246	89.8	307	102.2	329	110.2

* South Carolina. † Ohio.

The second table gives a few additional data relating to all the banks in the country to 1830.

Table II.—Condition of State Banks, 1817–1830.

Year.	Number.	Capital.	Loans.	Deposits.	Circulation.	Specie.
1817.....	...	125	...	....	....	....
1819.....	274	125	157	....	49	21.5
1820.....	307	102	...	31	40.6	16.7
1829.....	329	110	...	40.8	48.3	14.9
1830.....	330	110	160	39	48.4	13.5

The third table gives the condition of the Bank of the United States at corresponding dates from 1817 to 1830, and from 1834 to 1840, for comparison with the fourth table.

Table III.—Condition of the Bank of the United States at Dates Corresponding With the Statements Above and Below.

Date.	Capital.	Loans.	Deposits.	Circulation.	Specie.
1817.....	35.	3.5	11.2	1.9	1.7
1819.....	35.	35.8	5.8	6.6	2.7
1820.....	35.	31.4	6.6	3.6	3.4
1829.....	35.	39.2	17.1	11.9	6.1
1830.....	35.	40.7	16.0	12.9	7 6
1833.....	35.	61.7	20.3	17.5	8.9
1834.....	35.	54.9	10.8	19.2	10.0
1835.....	35.	51 8	11.7	17.3	15.7
1836.....	35.	59.2	5.1	23.1	8.4
1837.....	35.	57.4	2.3	11.4	2.6
1838.....	35.	45.2	2.6	6 8	3.8
1839.....	35.	41.6	6 8	6.0	4.2
1840.....	35.	36.8	3.3	6 7	1.5

The fourth table gives a comprehensive statement of the condition of the State banks, by sections, from 1834 (the first year in which approximately full statistics were published by the Treasury Department) to 1840; also a similar statement for all of the State banks, and finally for these and the Bank of the United States combined. The statements are by no means perfect.

Table IV.—Aggregate State Banks, 1819 and 1834-1840.

Year.	New England States.						Middle States.					
	No.	Cap.	Loans.	Dep.	Circ.	Specie.	No.	Cap.	Loans.	Dep.	Circ.	Specie.
1819.....	85	16.5	20.7	3.6	5.5	1.9	*116	35.9	21.9	4.7	17.8	3.5
1834.....	243	50 6	74.8	17.9	15.2	2.3	†135	53.4	101.5	33 3	30 7	6.6
1835.....	*a*258	52.8	78.7	17.7	17.5	2.0	*b*156	50.9	93.5	30.2	24.5	11.1
1836.....	*d*248	52.0	83.3	13.1	20.3	2.5	*e*151	60.1	121.5	47.5	31.9	11.7
1837.....	321	66.1	99.4	20.3	20.6	3.3	204	78.3	151.3	52.1	45.0	11.7
1838.....	309	62.3	84.0	13.5	17.8	4.0	204	80.8	127.7	30.6	28 8	10.
1839.....	308	62.2	84.4	11.3	19.1	3.4	199	79.0	133.3	33.3	38.0	12.6
1840.....	301	61.1	81.5	11.6	16.6	4.5	198	77.1	108.7	29.0	25.1	10.6

Year.	Southern States.						Western States.					
	No.	Cap.	Loans.	Dep.	Circ.	Specie	No.	Cap.	Loans.	Dep.	Circ.	Specie.
1819.....	50	17 6	27.1	4.5	10.8	3.6	23	2.3	3.7	1.6	1.7	0 8
1834.....	‡30	15.3	27.5	5.1	11.6	1.7	§	..	..	..	..	..
1835.....	*c*116	56.6	87.0	16.7	25.9	8.1	45	7.6	12.	3.6	6.5	3.0
1836.....	155	84.9	155.6	36.7	52.2	13.2	61	11.0	23 4	11 5	13.5	4.6
1837.....	174	100.8	186 0	40.7	56.9	15.0	64	14.2	28.8	15.8	13.2	5.7
1838.....	195	114.1	185.2	31.4	50.5	12.8	78	20.5	30.1	7.9	12.5	5.7
1839.....	*/159*	107.4	165.4	25.	43.	16.6	85	22.0	31.8	7.3	16.7	6 0
1840.....	*g*169	128.9	169.5	23.6	43.9	10.9	73	21.0	28.2	4.8	12.0	4.2

Year.	All State Banks.						All State Banks and Bank of United States.					
	No.	Cap.	Loans.	Dep.	Circ.	Specie.	No.	Cap.	Loans.	Dep.	Circ.	Specie.
1819 *h*.....	274	72.3	73.6	14.6	35.8	9.8	275	107.3	109.4	20.4	42.4	12 5
1834 *h*.....	408	119 3	203.8	56.3	57.6	10.6	409	154.3	258.7	67.1	76 8	20.0
1835 *h*.....	575	167.9	271.3	68.2	74.3	24.1	576	202.9	323.1	79.9	91.6	39.8
1836 *h*.....	615	208.2	383 8	108.9	121.0	32.0	616	243.2	443 0	114.0	144.1	40.4
1837.....	763	259.5	465.5	128.9	135.7	35 8	764	294.5	522.9	131.2	147.1	38.4
1838.....	786	277.8	427.1	83.4	109.6	32.5	787	312.8	472.3	86.0	116 4	36 3
1839 *h*.....	751	270.7	414.9	76.9	116.8	38 5	752	305.7	456 5	83.7	122.8	42.7
1840 *h*.....	741	288.2	388.0	69.0	97.5	30.2	742	323.2	424.8	72.3	104.3	31.7

* New York incomplete. † Delaware and New Jersey missing. ‡ South Carolina, Florida, Louisiana, Georgia and Kentucky missing. § No reports. *a* Vermont missing. *b* Delaware missing. *c* North Carolina missing. *d* Rhode Island missing. *e* New Jersey missing. *f* Mississippi missing. *g* Alabama and Tennessee missing. *h* Incomplete reports.

Attention is again attracted to the more favorable status of the banks of the New England States; whilst the panic of 1837 necessitated a contraction of their business and indeed caused some failures, the results on the whole were not nearly so disastrous as in other sections of the country.

Table V.—A More Complete Statement of all State Banks.

Year.	No.	Capital.	Loans.	Deposit.	Circulation.	Specie.
1834	506	200.0	324 1	75.7	94.8	23 0
1835	704	231.2	365 2	83.1	103.7	43.9
1836	713	251.9	457.5	115.1	140.3	40 0
1837	788	290.8	525 1	127.4	149.2	37.9
1838	829	317.6	485.6	84.7	116.1	35 2
1839	840	327.1	492.3	90.2	135.2	45.1
1840	901	358.4	462.9	75.7	107.0	33.1

Table V. is from the statements of the condition of the banks published in the reports of the Secretary of the Treasury. While they account for more banks than the preceding statements, and are on that account more complete as far as they go, it is impossible to show more than the aggregates.

Sufficient is shown by these statements to indicate that the experiences during the period under consideration were very costly, especially those resulting from the panic of 1837, which wiped out of existence vast sums represented by the defaulted bank notes, not to speak of deposits which have never been accounted for.

In many sections of the country the people profited by the severe lessons, and we find at this time that legislators began to feel the importance of State supervision over banks. New York had provided for bank commissioners, and New England followed; the example thus set was copied by a number of other States.

New York's "safety fund system" did not prove equal to the strain of the disturbing events. Eleven of the safety fund banks failed in 1841-42; their circulation amounting to $1,548,588 was secured by $86,274 in the fund; and beside this liability, over $1,000,000 of deposits were then also a charge upon the fund. It was many years before the creditors and noteholders received payment in full from accruing taxes on the capital of safety fund banks.

In 1838 New York made a radical change in her banking laws—a change which was followed by many of the other States. This was the adoption of the "free banking system." Under this any number of persons might form banking associations and issue notes, provided that stocks of the United States, or of any State, or approved real estate mortgages, were deposited with the State as security. Stocks of other States were subsequently excluded, owing to losses incurred by their forced sale to protect noteholders after certain failures. In 1840 a law was enacted requiring the banks to redeem their notes at an agency designated by each of them, in New York city, Albany or Troy, at a slight discount—at first ½ of 1 per cent., and then (1851) ¼ of 1 per cent. To a limited extent the Suffolk bank method of forcing redemptions was resorted to by a few New York city banks; and those institutions which failed to provide for prompt redemptions were forced to close.

An additional improvement was inaugurated in 1850 under the constitutional amendment of 1846, which made shareholders individually liable to the amount of their shares for all debts of the bank, and noteholders were given a preference over other creditors. The safety fund banks were not interfered with however.

This law here outlined is in force in the State of New York to-day, but is in abeyance, as far as note issues are concerned, by reason of the 10 per cent. federal tax on circulation.

The similarity of this law and the National-bank act of the United States indicates very clearly the source from which the authors of the latter drew their inspiration.

Massachusetts passed a free banking law in 1851, but only a few banks were organized under it, the old charters proving preferable and entirely safe ; but the transition to the National system was so easy that by 1865 only one bank out of 183 remained under a State charter.

Ohio, after trying the safety fund system in addition to others, also adopted the free banking law in 1851 ; Indiana in 1852, Illinois in 1851, Tennessee in 1852, Wisconsin in 1853, Vermont, Louisiana, Virginia and Connecticut later. Michigan had adopted a law similar in many respects as early as 1837.

It is manifest that the security of the noteholder was quite well taken care of by the "free banking system," provided the *kind* of security was carefully selected and fixed. In many of the States, however, this was not done, and even noteholders lost very large sums. But this system, in addition to tying up considerable banking capital, and thus limiting the capacity of the bank to serve the community, had contributed to a less careful regard for the other safeguards in banking ; and so it came about that States operating under almost identical laws showed such different results in their banking institutions.

Among the many successful institutions in the Western States, the one which proved most satisfactory, not so much by reason of the excellence of the law regulating its operations, as the superiority of its management, was the State Bank of Indiana and its branches, organized under a special charter of 1834.

The State loaned its credit to the shareholders and thus enabled them to obtain specie with which the bank started in business. Ten branches were authorized at first, but the number was subsequently increased. While the branches were independent so far as organization and general control was concerned, and while the shareholders of the branches retained the profits of their institutions, each one was liable for the debts of the others, and the directors of the parent bank retained possession of the plates from which the notes of branches were printed, thus controlling the circulation, which was limited to twice the capital of each institution. Loaning on land, that cause of so many failures, was prohibited ; directors were made personally liable for violations of law ; a system of minority representation prevented the bank from being controlled by a few individuals ; no money could be loaned by any of the institutions upon its own shares.

The State's investment of $1,000,000 in the bank netted it a profit of about $3,500,000 ; for the bank, under excellent management, not only weathered the storms of 1837, but paid the Government deposits in full, paid large dividends,

and in 1854 when its charter expired returned to its shareholders nearly double the original investment. Practically the same institution was re-chartered in 1855, with a capital of $6,000,000, and continued until merged into a National bank. It was one of the few Western banks that did not suspend specie payments in 1857, and when it was merged its affairs were in admirable condition.

As an extreme example of the opposite of this bank may be cited the experiences of the Planters' Bank of Mississippi and the Union Bank of the same State. This State also loaned its credit by the issue of bonds. The former bank had a capital of $3,000,000, of which $2,000,000 came from the State. The bank prospered, and in 1838 the Union Bank was chartered with a capital of $15,500,000; $15,000,000 in bonds were to have been issued, but after the negotiation of $10,000,000, the State repudiated its agreement, apparently on some well founded charges of mismanagement against the bank. Subsequently the bonds were repudiated entirely and the people refused to permit the payment of interest on those issued for the Planters' Bank.

Again contrasting the experience of another State, Louisiana, which had learned costly lessons, passed a law in 1842 which gave the banking system of that State a well-earned reputation throughout the Union. Banks were required to maintain a reserve in specie of 33⅓ per cent. of their liabilities, the remainder to be covered by short commercial paper—not exceeding ninety days; banks were prohibited from paying out notes of other institutions; prompt redemptions were required; directors were made personally liable, and examinations under a board of State officers were made periodically. Added to these legal provisions was the determination of the most solid of the banks to enforce them; banks which were delinquent were either brought into line by their New Orleans connections or went out of business.

Unquestionably the commercial prominence of New Orleans during this period (1842–1860) could have been maintained only by such a wholesome banking law, supplemented by the active co-operation of those in the business of banking.

It is manifest from the foregoing that the requisites for safe banking with note issues were: 1. A proper guarantee for the prompt redemption of notes under severe penalties. 2. Personal liability of directors. 3. Capital actually paid in and circulation limited in proportion to such capital. 4. Official supervision and examination.

Wherever all of these requisites were provided, banking was reasonably safe and profitable; wherever they were lacking disaster followed. Capital stock was frequently paid for altogether in personal notes of hand, which in many cases were not met at maturity; notes were issued by institutions without *bona fide* capital and apparently without limit excepting that arising from the awakened incredulity of the community; where bond security was provided, it often happened that when failures occurred and note-holders fell back upon the bonds, they were found to be largely reduced in value or even worthless.

The countless millions lost to the people of the United States through their experiments in banking should, it seems, be sufficient to teach them the absolute necessity to provide the safeguards necessary to secure to them

adequately protected currency; a currency which shall be satisfactory to the citizen of Maine, even though issued by a bank in Texas, and to the citizen of Georgia, even though emanating from a banking association in Minnesota.

On the other hand the propositions to reintroduce currency issued by banks chartered under State laws, need not necessarily involve the foisting upon the people the "red-dog" or "wild-cat" currency of ante-bellum days. A Federal law prescribing the *general* requisites could readily prevent this.

A statement showing the condition of the banks at several periods between 1840 and 1863 is given below, by geographical sections of the country. In certain

Year.	New England States.						Middle States.					
	No.	Cap.	Loans.	Dep.	Circ.	Specie.	No.	Cap.	Loans.	Dep.	Circ.	Specie.
1843	276	57.6	74.0	13 2	16.3	8 5	*210	78.5	88 3	31.9	21.7	15.8
1848	280	58.4	92.7	13.2	26.3	4.2	‡264	72.2	131.2	53.2	43.5	14 3
1853	401	90 3	159.2	28.9	53.8	6.7	*283	71.7	159 5	79.0	35.2	13.2
1854	439	100.9	172 4	31 4	52 7	6.9	‡442	114 8	283 6	111.9	61.1	22.8
1857	504	117.8	180.0	28.6	43.1	6.5	‡470	140.3	300.0	139 9	62.7	23.4
1858	496	119.5	181.1	42.3	38.0	13.2	‡459	154.4	247.7	113.8	44.3	38.0
1860	506	125.3	204 6	43 9	47.5	9.1	‡485	159 1	289.6	145 8	53.1	33.2
1863	*f*284	55.4	81.6	21 1	30.9	2.8	491	155 3	266.8	267.7	82.4	51.3

Year.	Southern States.						Western States.					
	No.	Cap.	Loans.	Dep.	Circ.	Specie.	No.	Cap.	Loans.	Dep.	Circ.	Specie.
1843	†142	77.2	76.6	13.5	17.0	12 4	55	16 2	14 9	2.1	6.4	2.9
1848	†144	62.7	88.4	20.6	35 6	19.5	*b*68	9.5	18.8	6.6	14.9	6.1
1853	*a*93	52.0	97.3	29 8	48.5	19.5	116	12.8	26 1	10 5	19 9	5.8
1854	*c*202	83 8	142 0	33 3	71.6	23 5	164	19.0	32.3	13.8	23 5	6 2
1857	*c*227	94 0	161.1	40 5	73 8	21 6	212	22.0	35.7	15 4	24 9	6 1
1858	*d*200	90 0	116.9	29.5	43.7	22.0	220	23.8	27.5	9.9	19.8	5.3
1860	*e*246	104 9	168.2	52 9	74 0	31 8	325	34.4	43.8	13 8	35.5	8.3
1863	*g*64	34 7	38.7	14.6	22.5	15.2	184	23.8	32.6	21.3	22.1	10.8

Year.	All Banks.						Another Statement of All Banks.					
	No.	Cap.	Loans	Dep.	Circ.	Specie	No.	Cap.	Loans.	Dep.	Circ.	Specie
1843 *i*	683	229.6	253.7	60.6	61.4	39 6	691	228 9	254.5	56 2	58 6	33 5
1848 *i*	756	202.7	331.1	93.6	120.3	44.2	751	204.8	344.5	103.2	128.5	46 4
1853 *i*	893	226 9	442.1	148.2	157.4	45 2	750	227.9	408 9	145 6	146.1	47.1
1854 *i*	1247	318.5	630.3	190.4	209.0	59.4	1208	301 4	557.4	188.2	204 7	59.4
1857 *i*	1413	374 0	676.7	224 4	204.5	57.6	1416	370 8	684 5	230 3	214.8	58.3
1858 *i*	1375	387.8	573 3	195 5	145.7	78.5	1422	394 6	583.2	185.9	155 2	74 4
1860 *i*	1562	423.7	706 3	256.3	210.1	82.4	1562	421.9	691.9	253.8	207 1	83 6
1863 *i*	1023	269 2	419 7	324.8	157.8	80.1	1466	405 0	648 6	393.7	238.7	101.2

* Delaware incomplete. † South Carolina incomplete; Mississippi and Florida missing. ‡ District of Columbia missing. § New Jersey and Pennsylvania missing. *a* South Carolina incomplete; Florida missing. *b* Illinois missing. *c* Florida missing. *d* Florida and Tennessee missing. *e* Mississippi missing. *f* Massachusetts missing; all banks converted into Nationals. *g* Includes only Louisiana, Kentucky and Tennessee. *h* Wisconsin, Kansas, Nebraska, included in 1861: missing in 1863. *i* Incomplete returns.

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Reference to the last-mentioned tables will show the effect of the free banking legislation of 1852 and thereabouts; the number of banks and the banking capital increased marvelously and their transactions, particularly the note issues, grew largely; on the other hand the specie holdings were not increased in any similar proportions.

The panic of 1857 served to check the growth of banks; the number in 1858 being only six greater than in the preceding year; their circulation was reduced nearly $60,000,000; the specie of course increasing under the influence of the general suspension of coin payments.

To further illustrate the condition of the currency during the periods under consideration, the following quotations of bank-notes are reproduced:

During the suspension of specie payments from 1814 to 1817 the depreciation of paper reached as much as 15 per cent. in New York, 17 per cent. in Philadelphia, and 23 per cent. in Baltimore. At the beginning of 1815 the fluctuations were very severe; from 15 per cent. in January to 2 per cent. in February in New York, and from 20 per cent. to 5 per cent. during the same period in Baltimore.

New York quotations in January, 1838, show that the notes of banks as far away from the metropolis as Alabama, Mississippi and Florida suffered a discount of from 8 to 15 per cent., while at the same time Maryland notes were at 3 and 4 per cent., and New England from 2½ to 3 per cent.

This was immediately after suspension of specie payments. Ordinarily for the three preceding years, New England notes were ½ of one per cent. off; those of the Middle States ranged as low as 2 per cent. and Southern and Western notes were discounted as much as 6 per cent.

In Philadelphia, in 1838, Mississippi notes were as low as 35 per cent. discount; Tennessee notes reaching 30 per cent.; Illinois, Ohio and Indiana notes fell to 7½ per cent., although frequently quoted at par in 1835.

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State banks without circulation continued notwithstanding the National-bank system. The returns for these are necessarily incomplete, but a brief summary of their condition on several dates is given below. Many States provide no system of reports, and from 1863 to 1873 very meagre statistics are available.

Year.	Number of Banks.	In Millions of Dollars.		
		Capital.	Deposits.	Loans.
1874	....	59 3	143 7	154.7
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1884	815	110.0	325 4	332.3
1889	1671	166.7	507.1	508.4
1894	3586	244.4	658.1	666.0

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On the other hand the propositions to reintroduce currency issued by banks chartered under State laws, need not necessarily involve the foisting upon the people the "red-dog" or "wild-cat" currency of ante-bellum days. A Federal law prescribing the *general* requisites could readily prevent this.

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1889	1671	166.7	507.1	508.4
1894	3586	244.4	658.1	666.0

Condition of 3,586 State Banks (1894).

Resources.		Liabilities.	
Loans	$671,377,452	Capital	$244,435,573
Bonds and Securities	84,541,728	Surplus	74,412,319
Due from Banks	119,676,949	Circulation	4,529
Cash	144,517,123	Due to Banks	54,120,185
Other Assets	57,051,561	Deposits	658,107,494
		Other Liabilities	46,084,713
Total	$1,077,164,813	Total	$1,077,164,813

It will be noticed that the State-bank business is of no mean importance. In comparison with National banks, the average capital of each institution is much less, enabling sparsely settled communities to be furnished with banking facilities.

OLD TREASURY NOTES AND CERTIFICATES.

Treasury notes were issued during several extraordinary periods in the financial history of the country; but they were always interest-bearing and usually readily convertible and receivable for *all* public dues.

The first period was 1812-1815, during, and for the purpose of carrying on, the war of 1812. The general form adopted for this first issue of notes was continued in the later ones; they were usually in denominations of $100, payable to order, receivable for all payments to the Government and payable to public creditors. The acts of June 30, 1812, February 25, 1813, March 4 and December 26, 1814, authorized the issue in the aggregate of $35,500,000 one-year notes, the issues of each year providing for the redemption of those of the previous year. The actual issues amounted to $28,318,400, bearing interest at the rate of 5 2-5 per cent. (or 1½ cents per day on $100).

The act of February 24, 1815, provided for the issue of $25,000,000 of notes, redeemable within nine years, and convertible into bonds, a portion to be issued in small denominations; the latter were payable to bearer and bore no interest until converted into bonds. Authority was given to reissue notes received or converted. The total issue amounted to $8,362,394, and the reissues to $7,182,740. These "war of 1812 notes" were very soon retired, either by redemption or conversion into bonds.

The second period, 1837-1843, followed the financial panic of 1837: the Treasury had up to 1836 accumulated a large surplus; the United States had no outstanding debt not provided for; and accordingly Congress by act of June 23, 1836, directed the distribution of the surplus to the States, according to population, in four installments; three of these installments were paid, the sum being somewhat in excess of $28,000,000. The fourth installment has never been paid. The disaster of 1837 left the Treasury almost without funds, and further issues of notes were resorted to.

The amounts authorized by the acts passed each year aggregated $31,000,000, payable in one or two years, with interest at not more than 6 per cent. nor less than 1 mill ($.001) per cent. Two millions were actually issued at this latter

exceedingly low rate, probably because there was an active demand for stable paper money, which the banks could not supply. The authority to reissue notes received for public dues brought the entire issue to over $47,000,000; more than $46,000,000 were retired by 1845; but very few of these notes are now unredeemed.

The third period, 1846-1847, was during the Mexican war. The rates of interest were the same as during the preceding period; $33,000,000 were authorized, and only $809,900 of notes were reissued; all but $200,000 were retired prior to 1851.

The fourth period, 1857-1861, followed the panic of 1857. The authorizing acts were passed December 23, 1857, December 17, 1860, and March 2, 1861. Under these $98,154,250 in notes were issued (including reissues) at rates of interest from 3 to 12 per cent. Almost all these notes were redeemed or converted into bonds within two years from the date of issue.

The issue of interest-bearing notes during the period of the civil war amounted to nearly $1,450,000,000. First, under the act of July 17, 1861, three-year notes, bearing 7 3-10 per cent. (2 cents per day on $100) were issued to the amount of $140,094,750; following this, under the act of March 3, 1863, $44,520,000 one year, 5 per cent. notes, and $166,480,000 of two-year, 5 per cent. notes were issued in denominations of from $10 to $1,000: these notes were legal tender, the same as the United States notes still in circulation. Under an extension of the last-mentioned act by that of June 30, 1864, $266,675,440 of three-year notes, bearing 6 per cent. *compound* interest, also a legal tender, and in about the same denominations, were issued. The act of 1864, amended by that of March 3, 1865, gave authority for the issue of $829,992,500 of three-year notes, bearing 7 3-10 per cent. interest, but without the legal-tender power. The act of March 3, 1865, permitted the conversion of these last-mentioned notes into bonds.

Of this vast issue of notes all but about $375,000 have been redeemed or converted.

During the civil-war period, many forms of certificates were issued, not to serve the purpose of circulation, but in some cases available for reserves of National banks, thus in a measure supplementing "lawful money" issues.

Temporary loan certificates were issued for thirty-day periods, on deposits of money or to public creditors, at 4, 5 and 6 per cent. The act of February 25, 1862, limited the amount to $25,000,000 (outstanding at any one time); that of March 17, 1862, increased it to $50,000,000, that of July 11, 1862, to $100,000,000, and finally that of June 30, 1864, to $150,000,000. Altogether the issues and reissues amounted to $716,099,247; all but about $2,850 have been retired.

The act of March 1, 1862, authorized the issue of 6 per cent. certificates of indebtedness, to run one year, to be paid to public creditors. The amount authorized was not fixed. The issue ceased in 1866, after $561,753,241 had been issued. Only $3,000 remains unpaid on this account.

Certificates of deposit bearing 3 per cent. were issued to redeem compound-interest notes, under the act of March 2, 1867, not to exceed $50,000,000; the act

of July 25, 1868, authorized the issue of $25,000,000 additional. Including reissues, $88,155,000 were placed, of which $5,000 remain unredeemed.

Certificates amounting to $678,000, payable in five years, and bearing 4 per cent., were issued under the act of July 8, 1870, to pay the State of Massachusetts for certain war expenditures in 1815. All have been retired.

Refunding certificates were issued under the act of February 26, 1879, in the denomination of $10 only, to aid in refunding the bonded debt, giving small investors an opportunity to obtain bonds; a form of "popular loan." They bear interest at the rate of 4 per cent., payable only on conversion into 4 per cent. bonds; they are convertible, *principal and interest*, into such bonds, in sums of $50 or any multiple; $40,012,750 was the limit of the issue; $56,480 remained unconverted January 1, 1895.

FRACTIONAL CURRENCY.

The suspension of specie payments caused not only gold, but subsidiary silver as well, to be hoarded and exported; and soon thereafter the coin required for "small change" disappeared from circulation. Private institutions and firms began to provide small paper change of various forms, and postage stamps were also resorted to. Congress, by act of July 17, 1862, prohibited the further issue of such substitutes for currency by individuals, and provided for the issue of stamps; this was followed by an issue of "postal currency," on which the facsimiles of stamps appeared; it began August 21, 1862, and notes of the denomination of 5, 10, 25 and 50 cents were circulated, and made receivable for all public dues less than five dollars, and redeemable in notes in like sums.

The act of March 3, 1863, which first gave this currency the designation "fractional," also provided that it be received for all public dues as before, except duties on imports, and the act limited the issue to $50,000,000, made the notes redeemable in sums of three dollars, and permitted reissues to replace worn pieces. The act of June 30, 1864, extended the authority somewhat, and under it notes of 3 cents (the then existing single letter postage rate) and of 15 cents, were issued.

The act of March 3, 1865, directed the issue of a 3-cent nickel coin, and the further issue of this denomination of notes ceased; under the act of May 16, 1866, a 5-cent nickel coin superseded the 5-cent note. In 1874 the Treasury discontinued the issue of the 15-cent notes.

The act of January 14, 1875 (repeated in the act of April 17, 1876) provided for the coinage of subsidiary silver to replace all the fractional currency; and the issue ceased February 15, 1876.

But the fractional notes were popular, and the redemption was slow. Congress, therefore, by joint resolution of July 22, 1876, directed the issue of $10,000,000 of subsidiary coin in lieu of United States notes, which notes were to be held as a fund for the redemption of the fractional currency. This latter proviso was repealed by the act of June 21, 1879. On June 30 of that year the amount of fractional currency unredeemed was $15,842,610.11; on January 1, 1895, it was still over $15,250,000, of which amount it was estimated $8,375,934 had been

', and would never be presented; the remainder is still carried as a
——— the Treasury. There is reason to believe that the amount destroyed
er than here given.
elating to this currency are given below:

nal Currency Issued and Outstanding to June 30, 1894.

ominations.	Amounts Issued.	Outstanding June 30, 1894.
3 cents	$601,923.90	$90,240.48 *
5 cents	5,694,717.85	1,858,907.47
10 cents	82,198,456.80	5,062,559.52
15 cents	5,305,568.40	240,423 53
25 cents	139,031,482.00	4,282,188.20
50 cents	135,891,930.50	3,770,756.55
Total	$368,724,079.45	$15,305,075 75
Less destroyed at Chicago fire, denomination unknown	.....	32,000.00
Unredeemed June 30, 1894		$15,273,075.75

* The rule as to redemption of mutilated pieces for the fractional value applied to these notes also.

The several issues of fractional currency by series were as follows:

1st.	1862-1863	$20,215,635.00
2d.	1863-1867	23,164,483.65
3d.	1864-1869	86,115,028.80
4th.	1869-1875	176,567,032.00
5th.	1874-1876	62,661,900.00
	Total	$368,724,079.45

The number of *pieces* issued was 1,819,223,300.

TRADE DOLLARS.

The act of February 12, 1873, provided for a trade dollar of 420 grains, 900-thousandths fine. Any owner of bullion might deposit the same and have it coined into these dollars, which were intended for trade with China and Japan, to compete with the Mexican silver dollar, which was a trifle less valuable.

The same act made all silver coins legal tender to the amount of $5, and this was construed to include the trade dollar, although it was never contemplated that this coin should circulate in the United States; accordingly by joint resolution of July 22, 1876, its legal-tender quality was abrogated, and the Secretary of the Treasury was authorized to limit the coinage to such an amount as he might deem necessary to meet the export demands. In October, 1877, the Secretary discontinued the receipts of bullion for this purpose, excepting in the Western mints; as it was found, however, that the trade dollars which were coined there, were put into circulation in the United States, the coinage was entirely discontinued February 22, 1878, except for "proof pieces."

The act of March 3, 1877, provided that for the period of six months thereafter trade dollars, not defaced, mutilated or stamped, be redeemed at their nominal value in standard silver dollars or subsidiary coin, and that the dollars so redeemed be recoined into standard dollars or subsidiary coin; the same act repealed all authority to coin trade dollars, and those not redeemed within the time specified have now only a bullion value.

The coinage of these pieces was as follows:

While they were a legal tender for $5	$15,631,450
From July 22, 1876, to February 22, 1878	20,327,910
Subsequently coined ("proof pieces" only)	6,564
Total coined	$35,965,924

The records of exports and imports show that from 1874 to 1887, $28,778,862 of these dollars were exported, and $1,706,020 imported; of the latter amount, $830,561 were imported subsequent to the redemption act of 1887; $919,459 were melted up at the mints prior to the redemption act, and $7,689,036 were redeemed; of the latter amount, $5,078,472 were recoined into standard dollars, and the remainder into subsidiary coin.

THE BRITISH EMPIRE.

The United Kingdom—The Bank of England—Other Banks of the Kingdom—Colonial and Foreign Banks—British Dependencies and Their Connection with the Mother Country.

(Sovereign=20 shillings @ 12 pence @ 4 farthings.)

Foremost among all the nations of the world, in the magnitude of its commerce, its vast colonial possessions and dependencies, and consequently its importance as the chief financial centre, Great Britain furnishes the most interesting subject for the study of the money of the world. The pound sterling, the monetary unit of the kingdom and of a large portion of its imperial dominions, is at the same time the most universally recognized coin or unit in the world. It stands almost unique—as the largest of the units, with the sole exception of Egypt, which adopted its *pound* under the influence of the British. Not alone this: but its principal bank of issue, now over three hundred years old, stands as a monument of financial sagacity and strength; the "old lady of Threadneedle street" is to-day practically the mistress of the financial and commercial world; a Bank of England note passes current in the marts of every civilized, and even half-civilized country.

And yet, with all the power possessed by the pound sterling and the Bank of England note, it has been impossible, or at all events impracticable, to give them permanent circulation or a standing as the measure of values in all of the dependencies of this great empire. It is only in Australasia, Cape Colony and in a few of the minor colonies, that this has been done. The East Indian uses the *rupee;* the West Indian prefers *dollars* and *cents;* the Canadian likewise; the great port of Hong Kong finds the silver *peso* most useful. Thus the conditions of the environment, making it more convenient for the colonists to use the units of their immediate neighbors, and the historic prejudices of the Hindoo, have been more potent than the force of the mother country's *sovereign;* and the legislators in parliament finally gave up the attempt to institute a homogeneous currency throughout the dominions.

The sovereign or pound sterling of to-day is not as ancient a coin as many of the units of other countries. Originally it was literally a pound of silver; in the course of years it was reduced in weight, still retaining the misleading name, however; until to-day, if reckoned in silver, the pound (20 shillings) is but five-eighteenths of a pound in weight.

Under the act of Parliament of June 22, 1816, Great Britain, which had theretofore had the double standard, became mono-metallic, with the single-gold

standard, and since that date silver has been a legal tender only to the extent of £2, or about $10, and is coined only on Government account.

A pound Troy of gold of standard fineness, 916⅔ thousandths, under the law of 1816, is coined into 46.725 sovereigns; so that the legal weight of the sovereign is .23682 of an ounce, or 123.274 grains, or 7.988 grammes; and the fine gold contained in a sovereign is 113.001 grains. The gold coins are a legal tender to any amount, not only in Great Britain, but in Australasia, the Dominion of Canada, Cape Colony, Malta, Natal and some of the West Indian colonies.

Although individuals have the right to deposit gold at the mint and to obtain therefor £3, 17 shillings 10½ pence per ounce of standard metal, the fact that there is considerable delay in coining has caused it to become the practice for individuals to deposit their gold with the Bank of England, receiving at once £3, 17 s. 9d. per ounce standard; the difference of 1½ pence being charged by the bank for interest, etc. The bank act of 1844 now requires the bank to receive gold at that valuation.

The legal gold coins are the sovereign and half-sovereign; two and five-sovereign pieces are also coined, but in very small numbers and not for circulation.

The guinea, nominally 21 shillings, is not now coined, although certain fees are still reckoned in this coin.

Under the law of 1816 1 pound Troy of silver $\frac{37}{40}$ fine, equivalent to 925 thousandths, was to be coined into 66 shillings. The ratio to gold is 14.2878 to 1.

The silver coins are the crown = 5 shillings, the double-florin = 4 shillings, the half-crown = 2½ shillings, the florin = 2 shillings, the shilling, the six-pence or half-shilling and the three-penny piece or quarter-shilling; very few of the two largest denominations are coined; and four, two and one-penny silver pieces are struck merely for the cabinets of numismatists.

As the sovereign is worth $4.86⅔, the shilling is nominally worth 24⅓ cents, and the penny nearly $2\frac{1}{3\,6}$ cents.

The weight of the shilling is $87\frac{3}{11}$ grains, or 5.655 grammes, and the fineness 925 thousandths; it is therefore actually worth a little less than the quarter dollar of the United States, which weighs 6½ grammes, but is only 900 thousandths fine.

The minor coinage includes pence, half-pence and farthings; the latter being worth about one-half of a cent. The pieces are of bronze.

Table of Coins.

(Gold, .916⅔ Fine.)

Denomination.	Weight In		Pure Metal.	Value.
	Grammes.	Grains.	Grains.	
5-pounds	39.940	616.354	564.991	$24.332
2-pounds	15.976	246.540	226.	9.733
Sovereign	7.988	123.270	113.	4.866
Half-sovereign	3.994	61.635	56.5	2.433

(Subsidiary Silver, .925 Fine.)

Denomination.	Weight In		Pure Metal.	At U. S. Coining Rate.
	Grammes.	Grains.	Grains.	
Crown	28.276	436 355	403.628	$1.08.7
Half-crown	14.138	218.177	201 814	.54.4
Florin	11.310	174.535	161.445	.43.5
Shilling	5.655	87.267	80.722	.21.7
Six pence	2.828	43.634	40.361	.10.8
Four-pence	1.885	29.089	26.907	.07.2
Three-pence	1.414	21.818	20,181	.05.4
Two-pence	.942	14 544	13.453	.03.6
Penny	.471	7.272	6.726	.01.8

The imperial mint in London executes the coinage for the United Kingdom and the various dependencies, excepting Australasia, which is supplied from the mints at Sydney and Melbourne and India, which has mints at Bombay and Calcutta. Considerable quantities of coins for the colonies, as well as for other countries, are executed by the firm of Ralph Heaton & Sons, recently incorporated as "The Mint, Birmingham, Limited," in Birmingham, England.

The accompanying table gives the amount of the coinage of the several classes of coins at the imperial mint and at the branch mints in Australia:

1817–1894.	Sovereigns	£310,485,394
	Half-sovereigns	51,137,882
	Add other pieces	436,563
		£362,059,839

Much light gold has been recoined during recent years. To December 31, 1894, the amount was £27,268,000; it is estimated that there is still about £15,500,000 of light gold in circulation, to be recoined as it comes in.

The silver coinage from 1880 to 1891 included:

Crowns	£942,678
Double florins	537,966
Half-crowns	3,098,359
Florins	2,105,530
Shillings	2,925,055
Six-pences	1,496,682
Three-pences	541,411
Other	3,703
	£11.651,384
The coinage of silver for 1892 to 1894 was about	2,243,000
" " from 1816 to 1880 has been	19,557,690
Total	£33,452,074

The worn silver retired amounted to £4,220,163 in the past fifteen years.

The minor coinage of Great Britain for the Kingdom and for those colonies having no separate pieces, has been £2,233,714 since 1860.

The imperial mint coined for colonies, during 1894, 29,767,000 silver pieces, 1,550,000 bronze pieces and 276,000 nickel pieces. These will appear under their proper heads.

The Bank of England performs the chief note-issuing function in the United Kingdom; there are other issuing banks, as hereinafter stated, but "the Bank," as it is called, does by far the largest share.

Founded in 1694, it has received renewals of its charter from time to time, the present one dating from 1844, given for an indefinite period. Under it the bank will eventually possess the monopoly of note issue in England and Wales. The business of banking proper and that of note issuing are separated. There is no limit to the amount of notes which may be issued, excepting the limit to its power of acquiring the precious metals. But notes to the amount of £11,015,100 were issued upon Government securities at the time of the renewal of the charter; it also obtained the privilege of issuing an amount equal to two-thirds of the issues of other banks in England and Wales, when these go out of existence or surrender their circulation; so that at the present time the amount of notes resting upon securities is nearly £16,500,000; the remainder of its issue is covered fully by coin or bullion.

The capital of the bank is £14,553,000 (say $70,773,000), and its surplus is over £3,000,000. The metallic reserve in the issue department of the bank is not subject to the deposits or other liabilities of the banking department.

The bank has the power to issue notes upon silver bullion to the extent of one-fifth of its metallic reserve; but, although it has recently been proposed to make use of this privilege, gold remains the only accepted metal. The bank's notes are legal tender in England and Wales, except as to payments by the bank itself.

Certain private banks and joint stock banks in England still possess the power to issue notes; banks in Scotland are, under a law of 1845, authorized to issue notes on practically the same terms as the Bank of England, the amount permitted in excess of metallic reserve being £2,676,350; and six Irish banks have the power of emitting notes to the amount of £6,354,494 in excess of their metallic reserve.

Great Britain provides for the use of its colonies, chartered banks of issue having offices in London and making semi-annual reports to the Home Government. A brief statement of these banks is given below; more details are to be found under the heads of the respective possessions in other portions of the volume.

Certain institutions doing business in foreign countries have offices in, and make reports to, Great Britain. An example is the London, Mexico and South American Bank, having places of business in many parts of the American continent.

Altogether the banking capital and reserves and the deposits represented by the institutions are as follows:

Of the United Kingdom	£123,918,000	£647,391,000
Colonial	34,810,000	161,589,000
Foreign	26,418,000	58,250,000
Totals	£185,146,000	£867,230,000

Below will be found statements showing the condition of the Bank of England at the beginning of 1895; that of other English banks and of the Scotch and Irish banks near the end of 1894.

BANK OF ENGLAND, JANUARY 2, 1895.

Issue Department.

Notes issued	£47,649,895
Gold coin and bullion	£30,849,895
Government debt	11,015,100
Other securities	5,784,900
	£47,649,895

Banking Department.

Capital	£14,553,000	Government securities	£14,689,099
Surplus	3,192,427	Other securities	24,025,528
Public deposits	6,598,906	Notes	21,731,120
Other deposits	38,198,631	Coin	2,241,184
Bills	143,967		
	£62,686,931		£62,686,931

A statement of the circulation and reserve of the bank for a series of years will be found in the chapter on the Volume of Money.

Of the joint stock banks of England and Wales ninety-nine reported as follows:

Capital	£43,612,224	Cash assets *	£93,685,138
Reserve	25,274,811	Securities	96,012,396
Notes in circulation	892,935	Loans	281,208,704
Deposits	402,034,096	Other resources	21,998,185

Five banks did not report; these have a capital of £250,663.

The joint stock banks have 2468 branches and agencies.

Four banks of the Islands adjacent to England reported:

Capital	£125,000
Deposits	1,892,000
Loans	1,249,087
Cash assets *	216,769
Circulation	57,558

The Scotch and Irish banks reported:

	10 Scotch.	9 Irish.		10 Scotch.	9 Irish.
Capital	£9,302,000	£7,101,251	Cash assets *	£21,005,284	£10,050,904
Reserve	5,718,865	3,053,360	Securities	30,640,168	16,053 984
Notes	6,552,826	5,811,538	Loans	61,116,873	31.477,589
Deposits	92,091,072	41,669,860	Other resources	6,782,547	1,013,277

The Scotch banks have 995 and the Irish 484 branches and agencies.

Private banks to the number of 41 reported as follows:

Capital and Reserve	£11,983,113	Cash assets*	£17,632,241
Deposits	63,908,289	Securities	23,832,052
Notes in circulation	400,635	Loans	33,789,202
		Other resources	3,330,027

* Cash in bank or on call at short notice.

A resumé of the circulation outstanding shows as follows near the end of 1894 :

Bank of England	£25,442,695
Joint stock banks	892,935
Scotch banks	6,552,826
Irish banks	5,811,538
Private banks	400,635
Island banks	57,558
Total	£39,158,187

or nearly $200,000,000.

The Bank of England issues no notes under £5 ; but Scotch banks are permitted to issue notes of denominations as low as £1, and four-fifths of their circulation is in such denominations.

From the preceding tables the available banking power may be estimated for the United Kingdom at :

Capital and reserve	£123,910,000
Deposits	647,391,000
Circulation	39,158,000
Total	£810,459,000

or over $4,000,000,000.

The monetary stock of the United Kingdom is estimated as follows :

Gold	£121,000,000
Subsidiary silver	22,400,000
Notes	39,160,000
Total	£182,560,000
Deduct specie in banks	42,200,000
Leaves effective	£140,360,000

The banks chartered for the purpose of furnishing facilities for the colonies are 32 in number (with 1733 branches.) Of these 17 are in Australia and New Zealand, 3 in Canada, 4 in Africa and 8 in other colonies. They report as follows in October, 1894 :

Capital	£27,268,000	Cash	£40,058,951
Reserve	7,542,252	Securities	13,312,176
Notes	7,157,693	Loans	174,494,663
Deposits	161,589,685	Other resources	7,506,964

There are 24 banks doing business in foreign countries. Their reports for the same period are :

Capital	£20,373,072	Cash	£23,145,090
Surplus	6 085,504	Securities	10,595,748
Notes	2,970,134	Loans	85,078,352
Deposits	58,250,057	Other resources	2,305,948

Only 7 of these banks issue notes. Of the entire number 10 are in America, 7 in Europe, 4 in Asia and 3 in Africa.

The many dependencies of Great Britain are here enumerated; their monetary systems will be considered in detail under the proper geographic division.

In America.

Dominion of Canada.	Bahamas.			Dollars and Sovereigns used.
Newfoundland.	Jamaica.			
Bermudas.	Trinidad.			
Tobago.	Barbados.			
Leeward Islands.	Windward Islands.			
British Honduras.	British Guiana.			
Falkland Islands.				

In Oceanica.

Queensland.	New South Wales.			Sovereigns used.
Victoria.	Tasmania.			
South Australia.	West Australia.			
New Zealand.				
New Guinea.	Fiji.	Borneo.		

In Africa.

Cape Colony.	Natal.			Sovereigns and Rupees used.
Gold Coast.	Sierre Leone.			
Lagos.	Gambia.			
Mauritius.	St. Helena.			

In Asia.

India.	Ceylon.			Rupees and Dollars used.
Straits Settlements.	Hong Kong.			

In Europe.

Malta.	Gibraltar.	Cyprus.		Sovereigns used.

THE LATIN UNION.

The Money of the Latin Union—France and its Colonies—The Bank of France—Belgium—Switzerland—Italy—Greece.

(Franc = 100 centimes.)

The Latin Union as such, was formed by the States of France, Belgium, Italy, and Switzerland, in Monetary Convention, December 22, 1865, and Greece joined it in 1867. The four first-mentioned states, owing to their intimate commercial relations with France, had practically adopted the French system of the law of April 6, 1803, before.

This was, to all intents and purposes, accepting the double standard at the ratio of 15½ silver to 1 of gold, the coins of both metals being full legal tender. But the convention of 1865 reduced the fineness of the subsidiary coins to 835 thousandths, and diminished their legal-tender power to 50 francs among individuals and 100 francs in payments to the State. Accordingly the coinage of pieces under 5 francs was confined to the needs of the people for "change," and was executed only on Government account. The coinage of 5-franc pieces and of gold was unlimited.

Table of Coins of the Latin Union.

(Gold, .900 Fine.)

Denomination.	Weight in		Pure Metal.	Value.
	Grammes.	Grains.	Grains.	
100 francs	32.258	497.806	448.025	$19 29.5
50 "	16.129	248.903	224.012	9.64.7
20 "	6.452	99 561	89.605	3.85.9
10 "	3.226	49 780	44 802	1.92.9
5 "	1.613	24.890	22.401	.96.4

(Silver, .900 Fine.)

Denomination.	Weight in		Pure Metal.	At U. S. Coining Rate.
	Grammes.	Grains.	Grains.	
5 francs	25.	385.800	347.220	$0.93.5

(Subsidiary Silver, .835 Fine.)

Denomination.	Weight in		Pure Metal.	At U. S. Coining Rate.
	Grammes.	Grains.	Grains.	
2 francs	10.	154.320	128.857	$.34.7
1 franc	5.	77.160	64.428	.17.4
50 centimes	2.5	38.580	32 214	.08.7
20 "	1.	15.432	12 886	.03.5

The 5-franc piece is therefore the counterpart of two half-dollars of the United States, and is worth $93\frac{5}{10}$ cents, at the coining rate of silver in the United States.

As before stated, the gold franc is worth 19.3 cents; the silver franc, owing to its reduced fineness, only 17.3 cents. The ratio for subsidiary coin is 14.38 to 1.

The subsidiary silver coinage has for some years been limited to 6 francs per capita of the population of each State.

A kilogram* of standard gold will, at the ratio of the Latin Union, produce 3,100 francs, and the same quantity of silver 200 francs. The kilogram of pure or fine gold is worth $3,444\frac{4}{9}$ francs, and that of fine silver, $222\frac{2}{9}$ francs, at the coining rate. The coining charge is $7\frac{4}{9}$ francs per kilogram of gold and was $1\frac{2}{3}$ francs per kilogram of silver before the suspension of the coinage.

The convention of 1865 was designed to last fifteen years; each State received at its public treasury the full legal-tender coins of any of the others of the Union, in unlimited amounts, and subsidiary coins to the amount of 100 francs. Each State bound itself to redeem its own coins in gold or in 5-franc pieces for a period of two years beyond the termination of the Union—at first 1882. In 1872 the depreciation of silver began, and as Germany had practically demonetized the white metal, it flowed into the open mints of the Latin Union and drew out the gold; accordingly as early as 1874 the coinage of 5-franc pieces was limited, and finally in 1878 suspended altogether.

A convention of the States of the Union in November, 1878, extended the compact until November, 1885, and in the last-mentioned year it was extended indefinitely, with the proviso that it might be terminated after January 1, 1891, upon one year's notice. The free coinage of the 5-franc piece was permitted, but all pieces of that denomination presented by any of the other States were made redeemable in gold, and those pieces of the State opening its mints were not to be received by the treasuries of any of the others as theretofore. It is, perhaps, needless to say that the free coinage has not been resumed. If the Union is terminated each State must redeem the silver pieces it has issued which may be circulating in any of the other States, any balance due to be met in gold; this proviso is modified somewhat in the case of Belgium and Switzerland.

* The kilogram = 1,000 grammes; the gramme = 15.432 grains. A kilogram of fine gold = $664.60.

France has, through its commercial supremacy, a considerable advantage over its colleagues; an examination of the silver coins in the Bank of France and its branches on certain dates shows that the proportion of foreign pieces is very large, not less than 500,000,000 francs; and as Italy has steadily lost coin to France, the probability is that, were the Union to terminate, the latter country would have a tremendous debt to pay to France in gold.

No notice has thus far been given of a desire to terminate the Union, although many writers have urged upon their several governments the expediency of so doing.

Though not members of the Union, Spain, Roumania, Servia and Bulgaria adopted this monetary system at various dates, so that Southern Europe is practically on the same basis; up to 1893 Austria's gold florin was two and one-half times the value of the franc, and Finland has an identical unit.

Other countries having a similar monetary system are Bolivia, Ecuador, Peru and Argentine Republic; Venezuela, Hayti, Colombia and Central America have exactly the same system.

FRANCE.

The coinage system of France has been fully described in the foregoing account of the Latin Union. It needs only to add that in addition to the coins named above, there is in this country also a 2-franc piece, not in general use; and minor coin, all of bronze, are struck in denominations of ten and five centimes for general circulation and of two centimes and one centime for collectors.

France also provides coins for its colonial possessions, Algiers, Tunis and Cochin-China; for the latter in pieces denominated dollars and cents (see under Asia *post*). The other possessions of France—Martinique and Guadeloupe in the West Indies, St. Pierre and Miquelon near Newfoundland, Pondicherry in India, Guiana in South America, and the Island of Réunion in the Indian ocean, require very little coin.

The coinage of France from 1795 to the end of 1891, less recoinages, has been as follows:

	Francs.
Of gold pieces—	
100 francs †	59,608,900.
50 " †	46,853,450.
40 " *	204,432,360.
20 "	7,235,972,380.
10 "	966,051,690.
5 "	210,947,190.
Total gold	8,723,865,970.
Silver pieces—	
5 francs	5,060,606,740.

* Obsolete coins prior to 1848. † Chiefly for Napoleon III.

Subsidiary silver—	Francs.
2 francs	79,091,092.
1 franc	111,521,651.
50 centimes	51,785,098 50
25 centimes*	All recoined.
20 centimes	2,504,748.60
Total subsidiary	244,902,590.10
Total silver	5,305,509,330.10
Aggregate gold and silver	14,029,375,300.10
Recoinages	335,247,584.25
	14,364,623,884.35

Of the total gold coinage 7,213,000,000 francs was under the present regime—the Third Republic—since 1870; the silver coinage during the same period amounted to over 1,077,000,000 francs.

No silver has been coined in France since 1891.

Of gold, there was coined in 1892, 4,514,120 francs, and in 1893 50,943,360 francs, making a grand total of 14,420,081,364.35 francs. The minor coinage has amounted to 62,000,000 francs.

Notes are largely used in France; these are emitted by the Bank of France exclusively, and are a legal tender so long as the institution maintains specie payments. The denominations run from 5 to 5,000 francs, but only very few of denominations other than 50, 100, 500 and 1,000 francs are issued.

Chartered originally in 1800, it has survived the many changes from Republic to Empire, then to Kingdom, again to Republic, once more to Empire, and for a third time to Republic. The State has, however, no interest in the bank; its chief officers are, it is true, appointed by the head of the State, and it is used as the depositary of public funds, but the capital is entirely in the hands of private individuals.

Originally capitalized at 30,000,000 francs, it has successively increased its stock to 45 millions in 1803, 90 millions in 1806, 91¼ millions in 1848, and finally to 182½ millions in 1857, when its charter was last renewed. It expires in 1897, but there is not much doubt as to its renewal. It pays a moderate tax to the Government.

Its power to issue notes has been increased by law from 350,000,000 francs originally to 3,500,000,000 francs; in 1894 the vast accumulation of specie made it expedient to increase the limit to 4,000,000,000 francs. No law fixing the amount or proportion of specie to be held against notes exists.

The bank has 78 branches throughout the country. The amount of its circulation and coin holdings for a series of years are given in another portion of this volume.

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* Obsolete coins prior to 1848.

The following is a statement of the condition of the bank and its branches at the end of 1894:

Liabilities.	*Francs.*	Resources.	*Francs.*
Capital	182,500,000	Cash	3,304,835,974
Reserves	42,515,507	Securities	352,608,044
Notes	3,679,215,530	Other loans	912,538,593
Deposits	488,010,223	Other demands	116,934,139
" Public	144,978,760		
Other items	149,696,730		
	4,686,916,750		4,686,916,750

France has a number of banking institutions of the first class; of these the following are the most important:

Name.	Capital.	Resources.
	Francs.	*Francs.*
Credit Lyonnais	133,000,000	1,325,000,000
Credit Foncier	170,000,000	3,544 000,000
Societé Générale	120,000,000	553,000,000
Comptoir d'Escompte	75,000,000	480,000,000

A recent estimate of the circulation in use in France is:

Gold	4,315,000,000 francs.
Silver	3,265,000,000 "
Subsidiary	250,000,000 "
Notes uncovered	374,000,000 "
Total	8,204,000,000 francs.

BELGIUM.

(Franc=100 centimes.)

The coinage system of Belgium has been fully discussed above. The French system was actually adopted in 1832. It remains only to say that the Belgian mint also furnishes the coin for the Congo State in Africa, Bulgaria, Zanzibar and other States.

The minor coinage consists of 20, 10 and 5 centime pieces of nickel, and 2 and 1 centime pieces of bronze.

The coinage has been as follows from 1832–1887:

Gold	598,642,745 francs.
Silver	495,678,210 "
Subsidiary coin	52,864,535 "
Minor	15,273,826 "

There has been no coinage for home use since 1887.

The silver circulation contains over 56 per cent. of coins of other States of the Latin Union.

Notes are issued by the National Bank of Belgium alone; it was chartered in 1850. The only interest of the Government in the institution is that it receives in

lieu of taxes a part of the dividends above 6 per cent., and a tax is laid on circulation in excess of 275,000,000 francs.

Its capital is 50,000,000 francs. Its circulation is only limited by the proviso that it must be covered by cash or readily negotiable securities; but it must have in cash at least one-third of its demand liabilities.

Notes are issued in denominations of 20, 50, 100, 500 and 1,000 francs; they are not legal-tender, but being receivable at the public treasuries they pass current so long as redeemed by the bank.

The report of the condition of the bank at the end of 1894 embraces:

(In francs.)

Resources.		Liabilities.	
Cash	113,900,000	Capital	50,000,000
Loans	328,600,000	Notes	415,300,000
Advances	11,700,000	Deposits	39,500,000
Securities	73,500,000	Public deposits	28,800,000

Belgium also has 23 stock and 30 private banks reporting

Capital of	190,000,000 francs.
Reserve	80,000,000 "
Other liabilities	680,000,000 "

The monetary stock is estimated at:

Gold	280,000,000 francs.
Silver	215,000,000 "
Subsidiary	40,000,000 "
Notes uncovered	320,000,000 "
Total	855,000,000 francs.

ITALY.

(Lira=100 centesimi.)

The unit in Italy is the *lira*, but in every respect like the franc; divisional pieces are called centesimi; and the minor coinage consists of bronze, in denominations of 10, 5, 2 and 1 centesimi.

The coinage from 1862, when the French system was adopted, has been:

Gold	426,308 710 lire.
Silver	595,505,937 "
Bronze (including large recoinages)	79,476,905 "

Notes in denominations of 50, 100, 500 and 1,000 lire were, until recently, issued by six banks under the law of 1874, to the extent of three times their capital, with the proviso that the coin and bullion in the banks must equal at least one-third of the amount of notes and other demand obligations.

For a period after the above-mentioned act the country was under a depreciated currency—specie payments having been suspended during the wars preceding. Accordingly, the issues of the six banks were limited to an aggregate of 755,250,000 lire; subsequently when resumption of specie payments ensued they were permitted to issue additional notes fully covered by metal (two-thirds gold and one-third silver). The banks were further authorized to issue notes in

denominations of 10, 20, 100, 250 and 1,000 lire, to the amount of 1,000,000,000 lire loaned to the Government; these subsequently became the liability of the Government; while the amount of these notes has been reduced, there are still outstanding 341,000,000 lire.

Specie payments were again suspended recently, and the suspension still continues. One of the principal banks closed under conditions which were very disastrous. Accordingly, three of the remaining five issue banks united and formed the Bank of Italy, which now with those of Naples and Sicily, monopolizes the note issues. These had at the end of 1894 a circulation of 1,111,000,000 lire and held gold to the amount of 431,000,000 and silver to the amount of 81,500,000 lire.

The banks are required to reduce their circulation beginning in 1897, until after fourteen years the circulation is down to 864,000,000 lire. The note issuing power is limited to twenty years.

The Government recently increased its note issues by 30,000,000 lire in one-franc notes, based upon metal in the Treasury. Against this total issue of 371,000,000 lire there are bonds, and about 168,000,000 lire of gold and silver held in the Treasury.

The premium on gold at the end of 1894 was about 7 per cent.

The condition of the Bank of Italy was at the end of June, 1894, as follows:

(In lire.)

Resources.		Liabilities.	
Cash	351,200,000	Capital	210,000,000
Loans	357,300,000	Deposits	216,000,000
Advances	364,700,000	Notes	869,000,000
Securities	10,400,000	Reserve	42,500,000
Other	97,000,000	Other	40,200,000

The two other issuing banks show:

Resources.		Liabilities.	
Cash	160,000,000	Capital	150,000,000
Loans	310,000,000	Notes	242,000,000
Other	52,000,000	Deposits	130,000,000

The monetary stock is estimated at:

Gold	500,000,000 lire.
Silver	185,000,000 "
Subsidiary coin	50,000,000 "
Notes uncovered	814,000,000 "
	1,549,000,000 lire.

Italy coins money for its African possessions Eritrea and Abyssinia.

SWITZERLAND.

(Franc=100 centimes.)

The gold and silver coinage here is the same as in France since 1850. The minor coinage consists of a nickel piece of 5 centimes and a bronze piece of 1 centime.

The coinage of Switzerland has consisted largely of recoinages. Full statistics are not available. Approximately there has been issued from the mint in recent years :

Gold	22,260,000 francs.
Silver	13,803,000 "
Subsidiary	22,000,000 "
Minor	4,000,000 "

Fully 57 per cent. of the silver in use is of Italian mintage ; and all but 5 per cent. thereof is of other States of the Latin Union.

Swiss banks of issue were not regulated by federal law until 1881. Under this enactment banks may be organized to an unlimited extent with the approval of the Government, which also reserves the right to fix the volume of notes and the quota for each bank.

The metallic reserve must be at least 40 per cent. of the notes in circulation ; the remaining 60 per cent. to be covered by obligations or commercial paper, readily negotiable. The notes have no legal tender power, but banks are required to accept each other's notes and to procure their redemption free of expense to the holder.

At present a new law, pursuant to constitutional amendment, is under consideration, for the establishment of a federal bank with branches, with a capital of 25,000,000 francs, the stock to be owned and the bank managed, by the Federal Government. This is such a new departure in banking that the outcome will be regarded with considerable interest.

Statements of the 34 Swiss banks of issue will be found below, for the end of 1894 :

(In francs.)

Resources.		Liabilities.	
Cash	91,700,000	Capital	141,000,000
Loans	322,700,000	Reserve	29,000,000
Portfolio	163,800,000	Notes	165,400,000
		Deposits	710,700,000

Estimated monetary stock :

Gold	90,000,000 francs.
Silver	40,000,000 "
Subsidiary coin	30,000,000 "
Uncovered notes	79,000,000 "
Total	239,000,000 francs.

GREECE.

(Drachma=100 lepta.)

Here the franc is called the drachma and is divided into 100 lepta. The coinage is of the Paris mint ; but as specie payments have been suspended for a number of years, no coinage has taken place. The premium on gold at the end of 1894 was about 87 per cent.

Minor coin of nickel of the denominations of 20, 10 and 5 lepta was authorized in 1893, and 12,000,000 pieces of the nominal value of 1,500,000 drachmai

were struck. This coinage constitutes a variation from the rule of the Latin Union, since the 20 lepta pieces are subsidiary coins in the other countries.

Notes are issued by three banks and have "forced circulation" like the "greenbacks" formerly in the United States. Since 1886 notes of less than 5 drachmai are issued; about 14,000,000 drachmai of these and 130,000,000 of the larger notes are in use.

The National Bank of Greece reports, 1894:

(In drachmai.)

Cash on hand and in other banks.	7,800,000	Notes	110,800,000
Loans	421,100,000	Deposits	448,200,000
Loans to Government	39,700,000	Capital	

The Ionian Bank reports:

Cash	2,700,000	Notes	7,000,000
Loans	13,500,000	Deposits	6,750,000
Advances	7,000,000	Capital	7,875,000

No statement of the third bank is available.

The stock of money is estimated as follows:

Gold	5,000,000	drachmai.
Silver	.....	"
Subsidiary	5,000,000	"
Uncovered notes	270,000,000	"
Total	280,000,000	drachmai.

OTHER EUROPEAN COUNTRIES.

GERMANY.—THE SCANDINAVIAN UNION: SWEDEN, NORWAY AND DENMARK—THE NETHERLANDS—AUSTRO-HUNGARY—SPAIN—PORTUGAL—RUSSIA—TURKEY—ROUMANIA—SERVIA—BULGARIA.

GERMANY.

(Reichs-mark = 100 pfennige.)

The present monetary system of Germany dates from the establishment of the empire in 1871. The law of that date, supplemented by one of 1873, converted the German States from the single-silver to the single-gold standard.

The mark was made the unit; 2,790 of these pieces are coinable from 1 kilogram of fine gold; there is a coinage charge of 14 marks maximum per kilo.; the fineness of the coins is 900 thousandths, so that a mark-piece would weigh .398247 of a gramme. As a matter of fact, however, this would be too small a piece to coin, and the German unit of value is not coined; for the silver mark is only a subsidiary piece. The value of the gold mark is 23.8 cents.

The gold coins, which are full legal tender for any amount, are of the denominations of 20 marks, weighing 7.96495 grammes or 122.915 grains standard, 10 marks and 5 marks of exact proportions.

The ancient *thalers* of Germany, coined by almost all of the States which in 1871 formed the empire, have not all been withdrawn from circulation, about 150,000,000 of them being still in existence. They were formerly reckoned worth about 77 cents; but under the new law they are worth three marks, or 71.4 cents. These silver pieces are still full legal tender throughout the empire.

The subsidiary coins, all 900-thousandths fine, are the 5, 2 and 1-mark pieces, 50 and 20-pfennig pieces (½ and 1-5 of a mark respectively), of exact multiples and divisions of the mark, which contains 5 grammes of pure silver, or 5.555 grammes of metal 900-thousandths fine. The weight in grains is 85.733, and the pure metal is 77.16, so that the pure metal weighs as much as the 9-10th metal in the former 20-cent piece of the United States. These coins are legal tender to the extent of 20 marks only, and the coinage is limited to 10 marks per capita; they are redeemable in gold at the public treasury.

The minor coinage consists of nickel pieces of 10 and 5-pfennige and bronze pieces of 2 and 1-pfennige.

Since 1887 the 20-pfennig piece has also been coined of nickel instead of silver, as formerly.

The imperial Government has a "war chest" in Spandau, containing

120,000,000 marks of gold; against this there are in circulation an equal amount of treasury notes, regarded as a permanent issue; practically they are irredeemable gold certificates.

Notes are also issued by the Imperial Bank, operating through branches. It is a private bank, but under the immediate supervision of the Government. It was established as the bank of the empire in 1875, but existed as the Bank of Prussia as far back as 1765. Its capital is 120,000,000 marks; its circulation may not exceed three times its metallic reserve; uncovered notes beyond a fixed amount are, however, taxable to the extent of 5 per cent. This fixed amount was originally 250,000,000 marks; but 33 other banks were then authorized to issue without tax 135,000,000 marks; as these banks go out of existence or surrender their circulation, the Imperial Bank becomes entitled to increase its non-taxable circulation by the amount so withdrawn; so that the present limit is about 300,000,000 marks.

The fundamental point in the law establishing the Imperial Bank is that the Government may, at the expiration of its franchise, acquire the same by purchase by giving one year's notice of its intention so to do. The charter expired in 1891, but has been renewed for a period of ten years.

Statements relating to the Imperial Bank and to other banks of issue follow:

(In marks.)

Resources.		Liabilities.	
Metallic cash	1,046,997,000	Capital	128,000,000
Government notes	21,157,000	Reserve	30,000,000
Other bank notes	9,459,000	Notes	1,079,683,000
Securities	71,971,000	Other	517,033,000
Loans	537,322,000		1,754,716,000
Other	67,810,000		
	1,754,716,000		

At the end of 1894 the bank had 820,000,000 marks in gold and 480,000,000 marks in silver.

Eight other issuing banks show:

Cash	23,000,000	Capital	94,500,000
Loans	172,000,000	Reserve	15,500,000
Other	88,000,000	Deposits, etc	60,000,000
		Notes	115,000,000

The Deutsche Bank of Berlin, reports to London, 1894:

Resources.		Liabilities.	
Cash	£3,119,132	Capital	£3,750,000
Loans	16,498,499	Reserve	1,279,628
Securities	1,499,839	Deposits	10,977,953
Other	197,473	Other	5,307,362
	£21,314,943		£21,314,943

The Government notes are in denominations of 5, 10 and 20 marks, in amounts of 20, 30 and 70 millions of marks respectively.

The coinage of Germany has been as follows, since 1872 and to the end of 1893:

Gold	2,737,790,915 marks.
Silver	484,048,609 "
Nickel	51,587,442 "
Bronze	12,287 353 "

Gold to the amount of 3,328,215 marks and silver amounting to 13,038,513 marks have been withdrawn and recoined.

Beside coining for its dependencies in Africa, Germany also provided the entire coinage of Egypt.

Estimated Monetary Stock.

Gold	2,500,000,000 marks.
Silver	450,000,000 "
Subsidiary coin	460,000,000 "
Uncovered notes	155,000,000 "
Total	3,565,000,000 "

THE SCANDINAVIAN UNION.

Sweden, Norway, Denmark.

(Krone=100 öre.)

It was natural that these three countries, peopled by descendants from a common stock and speaking the same language, should form a monetary union. This was not, however, accomplished until the depreciation of silver threatened to injure their former double-standard system.

A single gold standard was adopted and has been maintained since 1875, with the krone or crown as the unit.

2,486 kronor are made out of one kilogram of fine gold. The krone is, therefore, .44803 of a gramme, at 900 thousandths fine; in grains it would weigh 6.914, hence worth 26.79 cents.

The gold pieces, which alone are full legal tender, are the 20 and the 10 crown-pieces.

Silver is coined only on Government account and in subsidiary pieces, of which the 2 and 1 crown pieces, only 800 thousandth fine, weigh 15 and 7½ grammes respectively; are legal tender to the amount of 20 crowns, and are worth 49.9 and 24.9 cents respectively at the coining rate of the United States. The pieces of 50, 40 and 20 öre are only 600 thousandths fine, weighing 5, 4 and 2.42 grammes respectively, the 10 öre piece weighs 1.45 grammes and is only 400 thousandth fine. The four last-mentioned coins are legal tenders to the amount of only 5 crowns.

The coins of one State circulate freely in all of them; and each of the States will redeem its own subsidiary pieces in gold in sums of 10 crowns or multiples.

There is no conventional limit to the amount of the subsidiary coinage, nor of the minor coinage.

The minor coinage consists of bronze and comprises 5, 2 and 1 öre pieces. The last-mentioned piece is worth, nominally, ¼ of one cent.

Bank notes are supplied in Sweden by the Bank of Sweden, managed by officers appointed by the legislative body of the kingdom, and by private and joint-stock banks, with ten-year renewable charters, of which there are thirty.

The bank has a capital of 25,000,000 crowns and a reserve of 5,000,000. Its notes are constitutionally legal tender. The issue is limited to 30,000,000 crowns and such an additional amount as it may have in credits in foreign banks plus its metallic reserve, which latter must be 10,000,000 crowns at least. Its notes are receivable at the public treasuries.

Other banks may issue notes to the extent of the capital invested in mortgages, plus one-half their credits and their metallic reserves, less gold equal to 10 per cent. of the capital. Their notes are redeemable in gold only, and circulate without force of law.

The result is that the joint-stock banks issue about five-ninths of the notes in use in the kingdom.

Statements of Swedish banks appear below.

Norway has only one bank of issue, a joint-stock institution founded in 1814; the State is the principal share-holder and thus controls the bank. Its capital is 10,000,000 crowns and its notes, legal tenders within the kingdom, are limited to twice the reserve, of which one-third may be in foreign banks. Statements of the bank appear below.

Denmark has also but one bank of issue, the National Bank, founded in 1818 with a capital of 27,000,000 crowns, and a circulation, which is a legal tender, of 30,000,000 crowns plus the metallic reserve for the time being.

The Scandinavian banks show as follows near the end of 1894 (in kronor):

Swedish Banks.

	National Bank.	Other Banks.
Resources:		
Cash	22,000,000	19,500,000
In other banks	20,000,000	39,500,000
Loans	65,000,000	355,000,000
Other	29,000,000	286,000,000
Liabilities:		
Capital	45,000,000	87,700,000
Reserve	5,000,000	23,500,000
Notes	46,000,000	59,000,000
Deposits	28,000,000	382,000,000
Other	12,000,000	147,800,000
Totals	136,000,000	700,000,000

Bank of Norway.

Resources.		Liabilities.	
Cash	23,000,000	Capital	10,000,000
In foreign banks	11,500,000	Notes	48,000,000
Loans	35,000,000	Deposits	8,500,000
Other	6,000,000	Other	8,500,000

National Bank of Denmark.

Resources.		Liabilities.	
Cash	51,000,000	Capital	27,000,000
In foreign banks	15,000,000	Reserve	3,000,000
Loans	35,000,000	Deposits	7,600,000
Other	24,000,000	Notes	75,000,000
		Other	12,400,000

The coinage of the Scandinavian Union has been, in kronor:

	Sweden.	Norway.	Denmark.
Gold	57,841,055	15,856,000	34,754,640
Silver	17,568,708	6,517.292	18,355,787
Bronze	*720,000	479,983	*720,000

* Estimated.

NETHERLANDS.

(Florin=100 cents.)

From a single-silver standard system Holland in 1816 became double-standard upon a ratio of 15.873 to 1; again returned to silver in 1847, and again to the double-standard in 1875; but she is prepared to turn to the single-gold standard at any time with very little preliminary legislation.

The unit is the florin or guilder of 100 cents; the full legal-tender pieces being the 10 and 5 florins of gold, the florin, half-florin and rix-daler of silver; the latter being equal to 2½ florins.

The weight of a florin in gold would be .672 of a gramme or 10.37 grains, 900 thousandths fine; the silver florin is 945 thousandths fine and weighs 10 grammes. Accordingly the gold florin equals 40.2 cents, and silver florin (nominally) 39.3 cents.

The ratio is 15.625 to 1.

The rix-daler weighs exactly as much as the 5-franc piece, but is finer and hence equal to 98.2 cents.

It will be observed that this florin is quite different from the Austrian coin of the same name. But following Austria—as a result of former intimate relationship—Holland also coins trade ducats and double ducats. This ducat here weighs 3.494 grammes, but is but 983 thousandths fine; it is worth $2.28.3 or 4.10 of a cent less than the Austrian piece of the same name. The double ducat is just twice the weight and value.

Coinage of silver is on Government account only, since December, 1877.

Subsidiary coins are very cheap in the Netherlands, being only 640 thousandths fine. The denominations are 25, 10 and 5 cents, their weights being, unlike those of other subsidiary coins, not in proportion. The 25 cent piece weighs 3.575 grammes, the 10 cent piece 1.4 grammes, and the 5 cent piece .685 of a gramme, and they are worth respectively 9.5, 3.7, 1.8 cents at the coining rate of the United States.

Minor coin of 2½, 1 and ½ cent pieces is provided in abundance.

The coinage for the mother country has been :

Gold	78,330,000	guilders	since 1871
Silver	475,093,000	"	" 1840
Minor	2,135,000	"	" 1871

Paper money is furnished by the Government to the extent of 15,000,000 florins, said to be entirely covered, but apparently not by coin.

The Bank of the Netherlands issues notes, the volume of which is limited by the requirement that 40 per cent. of the aggregate demand liabilities be held in gold or silver. The bank has purchased no silver since 1872.

The notes are in denominations of 25, 40, 60, 100, 200, 300 and 1,000 florins.

The institution was founded in 1814, and its present charter, issued in 1889, does not expire until 1914. The capital is 16,000,000 florins. The State has no interest in it, but its chief officers are appointed by the king.

The possessions of the kingdom in the East Indies, Java, Sumatra, etc., are supplied with coins by the mother country, but with notes by the Bank of Java.

The condition of the Netherlands Bank was as follows at the end of 1894 :

(In florins.)

Resources.		Liabilities.	
Gold	49,000,000	Capital	20,000,000
Silver	82,000,000	Surplus	3,000,000
Loans	50,000,000	Notes	203,600,000
Other	36,000,000	Deposits	5,000,000

Other banks to the number of 13 do business with a capital of over 7,000,000 florins ; deposits about 15,250,000 florins.

The estimated stock of money is :

Gold	68,000,000 florins.
Silver	136,800,000 "
Subsidiary coin	8,700,000 "
Minor coin	2,000,000 "
Government notes	15,000,000 "
Uncovered bank notes	88,800,000 "
Total	319,300,000 florins.

AUSTRIA-HUNGARY.

(Old system : florin=100 kreutzers.)
(New system : krone=100 heller.)
(Krone=½ florin.)

The present monetary system of Austria-Hungary dates from 1892, and is a single-gold standard system, replacing the single-silver standard of 1857, modified by laws of 1858, 1867, 1870 and 1887.

The former gold florin was equal to 2½ francs ; full legal tender silver coins were struck on the basis of 11.111 grammes of fine silver to the florin ; it therefore contained 12.345 grammes of standard silver and was a trifle less valuable than 2½ francs.

The new system has as a unit the krone (or crown) of .338753338 of a gramme of gold 900 thousandths fine, for full legal tender pieces ; for the subsidiary coin-

age the basis is the silver crown weighing 5 grammes of the fineness of 835 thousandths. The ratio is therefore 13.69 to 1. Silver is coined only on Government account.

For the purpose of comparison the following table of the old and new system is given :

GOLD COINS.

	Grammes.		Grammes.
8 florins	6.452	20 crowns	6.775067
4 florins	3.226	10 crowns	3.3875338

All .900 fine.

SILVER COINS.

	Grammes.			Grammes.	
2 florins	24.691	.900 fine.	Crown	5.	.835 fine.
1 florin	12.3455		½ crown	2½	

The half-crown or 50-heller piece is the exact equivalent of the half-franc ; but the crown, being of the lower fineness, is less valuable than the franc, although of the same weight.

Silver coins are legal tender only to the extent of 50 crowns, but unlimited in payments to the Government. The issue is limited to 200,000,000 crowns, of which 60,000,000 are for Hungary.

The value of the crown of gold in money of the United States is 20.26 cents ; the florin was 48.2 cents. The silver crown is equal to 17.4 cents at the United States coining rate ; the florin was 46.2 cents.

The reform of the coinage was undertaken in connection with the resumption of specie payments, which has been suspended for nearly fifty years. Even silver was at a premium until its serious decline in price began in 1878.

During the transition period the old coins are accepted on a basis of one florin for two crowns, one kreutzer for two heller.

The premium on gold at the end of 1894 was about 3¾ per cent.

Austria has for years coined so-called trade coins ; the ducat and quadruple ducat of gold and the Maria Theresa or Levantine thaler of silver. They are not legal tenders in the empire. The ducat weighs 3.4909 grammes, 986⅑ thousandths fine, and the quadruple ducat four times as much ; the value of the latter is $9.15. These coins are of the highest fineness used in coinage. The Levantine thaler was instituted in 1780 as a trade coin, and all pieces coined to this day bear the ancient date. The weight of the coin is 28.064 grammes and its fineness 833½ thousandths.

Austria, although a single-silver standard country prior to 1892, has coined no silver except on Government account since 1879.

The minor coins of Austria-Hungary are 20 and 10 heller pieces of nickel and 2 and 1 heller pieces of bronze.

Owing to the duality of the Government the subsidiary and minor coins are stamped with different designs in the two kingdoms.

Austria has had a woful experience with paper money. The empire issued notes of denominations of 1, 5 and 50 florins, and the Austro-Hungarian Bank,

the only bank of issue, emitted notes of 10, 100 and 1,000 florins; although they were maintained at par with silver for some years prior to the recent reform, they were in fact irredeemable and subject at all times to more violent fluctuations than was the white metal.

The bank is entirely independent of the State as far as its capital is concerned, but its connection therewith are most intimate. It loaned the empire 80,000,000 florins repayable at will. It is permitted to issue notes to the extent of 200,000,000 florins in excess of its metal holdings; the sum must, however, be covered by commercial paper or security (including the Government debt and notes).

The Government issue of notes amounts to about 400,000,000 florins.

The resumption of specie payments involves, under the law, the acquisition of 624,000,000 crowns of gold by the two kingdoms of Austria and Hungary, 70 per cent. by the former and 30 per cent. by the latter. Hungary has obtained its quota, and by the end of 1894 Austria had acquired all but about 200 million crowns, of which more than half came from the United States. Payment was made by the issue of 4 per cent. bonds at from 2 to 3 per cent. discount.

The mints of Austria-Hungary have turned out, preparatory to resumption, of gold coins:

Hungary	145,398,013	crowns.
Austria	228,000,000	"

of subsidiary silver coins:

Hungary	15,494,493	crowns.
Austria	77,200,000	"

Of minor coins about 15,000,000 crowns have been supplied.

Under its old system Austria-Hungary coined:

Gold: ducats	132,814,896	florins.
Other	76,707,427	"
Silver trade thalers	85,831,102	"
Other	475,673,861	"
Base silver	45,278,707	"
Copper	14,873,636	"

The currency of Bosnia, Herzegovina and Montenegro is Austrian, and Bulgaria has coins struck at the Hungarian mint.

The condition of the Austro-Hungarian Bank near the end of 1894 was as follows:

(In kronen.)

Coin	453,000,000	Capital	180,000,000
Loans	450,000,000	Reserve	65,000,000
Advances	251,000,000	Notes	792,000,000
Other	446,000,000	Deposits	24,000,000
		Other	539,000,000

At the end of the year the bank had 327,000,000 crowns in gold and 294,000,000 in silver.

The Anglo-Austrian banks report to London, 1894:

Resources.		Liabilities.	
Cash	£125,332	Capital	£1,500,000
Loans	6,298,619	Reserve	194,543
Securities	141,790	Deposits	2,536,750
Other	93,167	Other	2,427,615
	£6,658,908		£6,658,908

There are 51 other banks in Austria (including private banks) and 172 in Hungary which have: Capital, 514,000,000 kronen, and resources 3,210,000,000 kronen. Nearly one-half of the resources in Hungary and one-fourth in Austria consist of mortgages.

Estimated Monetary Stock.

Gold	650,000,000 kronen.
Silver	450,000,000 "
Subsidiary coin	200,000,000 "
Minor coin	30,000,000 "
Uncovered notes:	
Government	375,000,000 "
Bank	430,000,000 "
Total	2,135,000,000 kronen

SPAIN.

(Peseta = 100 centimos.)

Spain although not adhering to the Latin Union adopted the same monetary system in 1868. The franc is termed peseta. In addition to the gold coins of the Union there is the 25-peseta piece of 8.06451 grammes, 900 thousandths fine. The ratio of silver to gold is 15½ to 1. Silver coinage was suspended in 1878, except on Government account. The ancient coinage system of Spain, which still prevails in the Philippine Islands, consisted of the peso duro (hard dollar) of 25.96 grammes, 900 thousandths fine, equal to two escudos of 10 reals each; the escudo was equal to 2½ pesetas, and thus the connection is made with the present coinage. The ancient gold doubloon was equal to 10 escudos, and worth $5.017.

Minor coins are 5, 2 and 1 centimos.

The coinage of Spain since the present system was adopted (1868) to 1893, has been:

Gold	1,046,933,070 pesetas.
Silver	911,490,256 "

Notes are issued solely by the Bank of Spain, originally chartered in 1829, again in 1856, and in 1874 for thirty years. Its capital is 150,000,000 pesetas (formerly 100,000,000). Although the kingdom has no interest in it, the bank is used as the other European banks are, for public treasury purposes.

It transacts its business through branches located throughout the realm. A minimum surplus reserve of 10,000,000 pesetas must be maintained.

The note issue is limited to five times the capital, hence to 750,000,000

pesetas, provided the amount be not in excess of four times its metallic reserve. Its notes are legal tender and in denominations of 25, 50, 100, 500 and 1,000 pesetas.

A statement of the Bank of Spain for July, 1894, follows:

(In pesetas.)

Resources.		Liabilities.	
Gold	197,952,000	Capital and reserve	168,968,000
Silver	230,486,000	Notes	944,574,000
In other banks	63,273,000	Deposits	351,094,000
Loans	246,231,000	Other	60,390,000
Securities	769,547,000		
Other	17,535,000		

The Union Bank of Spain and England reports to London, 1894:

Resources.		Liabilities.	
Cash	£63,298	Capital	£250,250
Loans	474,056	Reserve	35,000
Securities	112,443	Deposits	302,356
Other	5,700	Other	67,891
	£655,497		£655,497

The estimated monetary stock is:

Gold	200,000,000	pesetas.
Silver	705,000,000	"
Subsidiary coin	200,000,000	"
Uncovered notes	430,000,000	"
Total	1,535,000,000	pesetas.

The Spanish coins are used in Cuba and Porto Rico; and a special coinage of pieces of the ancient regime is furnished for the Philippine and neighboring islands still under Spanish dominion.

PORTUGAL.

(Milreis = 1,000 reis.)

Portugal's ancient system was superseded in 1854 (law of July 29) by the single-gold standard, the milreis being adopted as the unit.

This coin weighs 1.774 grammes and is 916⅔ thousandths fine; in grains the weight is 27.368, and its value is $1.08.

Pieces are struck of 10, 5, 2 and 1 milreis, but few of the latter. They are ful legal tender.

Silver is coined on Government account only, and in pieces of 500, 200, 100 and 50 reis. The piece of 100 reis is called the testoon. Silver coins are also 916⅔ thousandths fine, and the 500 reis piece is equal to 47.6 cents. This piece weighs 12½ grammes and that of 200 reis 5 grammes or 77.16 grains, just as the franc or the twenty cent piece of the United States, but is of greater fineness. Silver coins are legal tender to 5 milreis, but larger sums are in fact accepted.

The minor coins are 40, 20, 10, 5 and 3 reis of bronze.

The influence of Great Britain is manifest in the fineness of the coins.

The manner of noting amounts in milreis is 100,000 $000 = 100,000 milreis. But the practice in recent years has been to count large sums in *contos* or thousands of milreis, thus 100 contos = 100,000 milreis.

The British sovereign is legal tender for 4½ milreis.

Notes are furnished by eight banks, of which the Bank of Portugal is the principal one. It was founded in 1822. Its notes are receivable for all public dues, while those of the other banks are not.

The Bank of Portugal reports for 1894:

(In milreis.)

Resources.		Liabilities.	
Gold	3,005,000	Capital	
Silver	5,853,000	Notes	50,542,000
Bronze	680,000	Deposits	2,642,000
Securities	14,827,000	Public deposits	862,000
Loans	42,616,000		

Specie payments were suspended some years ago and irredeemable notes circulate, gold being at a premium of from 10 to 30 per cent.

No statement of the other issuing banks separately is obtainable, but they and 30 other banks reported the following items recently:

Cash	14,637,000	Deposits	36,797,000
Discounts	35,755,000	Notes	12,109,000
Loans	5,316,000		

The coinage of Portugal has been from 1854:

Gold	7,950,002 milreis.
Subsidiary	23,789,436 "
Total	31,739,438 milreis.

The estimated monetary stock is:

Gold	15,000,000 milreis.
Subsidiary coin	25,000,000 "
Uncovered notes	47,000,000 "
Total	87,000,000 milreis.

RUSSIA.

(Rouble = 100 kopecks.)

The present monetary system of Russia dates from 1886. The unit is the silver rouble of 100 kopecks; but gold is very extensively coined also, upon the ratio of the Latin Union (15½ silver to 1 gold).

The gold coins are the 10 and 5 rouble pieces, called the imperial and half-imperial respectively. The former weighs 12.9039 grammes of 900 thousandths fineness, so that a gold rouble would be 1.29039 grammes if coined, and equal to $0.77.2. The former gold coinage was 916⅔ thousandths fine, like that of Great Britain, and the weight slightly greater. A ducat equal to three roubles is also coined; its value is $2.39.2.

Silver coins are the rouble of 19.995 grammes, or 308.571 grains, 900 thousandths fine, the half and quarter of proportionate weight. These are full

legal tender, and the silver rouble is equal to $0.74.8 at the United States coinage rate. Formerly, these coins were but 868 thousandths fine.

Subsidiary pieces are only 500 thousandths fine, of denominations of 20, 15, 10 and 5 kopecks; the largest piece weighs 3.599 grammes, the others in proportion. A kopeck has the nominal value of ¾ of a cent. The subsidiary pieces are legal tender to 3 roubles, but in payments to the Government, without limit.

Paper is, however, the actual medium of exchange in Russia. Notes are issued in denominations of 100, 25, 5, 3 and 1 roubles, and are full legal tenders; specie payments have been suspended since 1855; the premium on gold was about 48 per cent. at the end of 1894.

The Bank of Russia issues the paper money exclusively, and its business is divided, like that of the Bank of England, into an issue and a banking department.

The bank was established in 1860, with a capital of 25,000,000 roubles; although its management is in the hands of officers appointed by the Government, the bank is in no sense a State bank at present.

The note issues amount to about 979,000,000 roubles, against which it holds an ever increasing metallic reserve, having retained most of the gold product of the Russian mines of recent years. At the end of 1894 its metallic cash stood at 380 millions, of which only about 4 millions was in silver. In addition the bank holds in its issue department, about 568,000,000 roubles in Government obligations.

The banking department reports:

(In roubles.)

Resources.		Liabilities.	
Cash, paper	117,000,000	Capital	25,000,000
coin	31,000,000	Reserve	3,000,000
In foreign banks	10,000,000	Deposits	228,500,000
Loans	104,000,000	Public deposit	94,000,000
" to State	71,700,000	Other	489,500,000
Bonds, etc	496,300,000		
Total	830,000,000	Total	830,000,000

Twenty-nine other banking companies with capital of about 95,000,000 roubles are in existence.

The coinage of Russia has been:

Old system, 1800–1885.			New system, 1885-1893.		
Gold	1,088,315,386	roubles.	Gold	114,517,740	roubles.
Silver	231,999,244	"	Silver	6,316,705	"
Subsidiary	141,746,297	"	Subsidiary	12,832,676	"

The Grand Duchy of Finland has always maintained an independent monetary system like that of the Latin Union, but gold alone is full legal tender.

The unit is the markka of 100 penni, and is equal to the franc.

The bank of Finland issues notes which are convertible into coin. The amount at the end of 1894 was about 50,000,000 markkaa, against which the bank held gold, 22,000,000 and silver, 3,500,000 markkaa.

Russian paper and silver are used in its Asiatic possessions of Siberia, Khiva and Bokhara.

Estimated Monetary Stock.

Gold	598,000,000	roubles.
Subsidiary silver	77,000,000	"
Minor	12,000,000	"
Uncovered paper	680,000,000	"
Total	1,367,000,000	roubles.

TURKEY.

(Piastre = 40 paras.)

The Ottoman Empire has a bi-metallic system, but is generally classed with single-gold standard countries. The Turkish pound or medjidié or lira, is equal to 100 piastres or units; the piastre is divided into 40 paras, and the para into 3 aspes. Since the piastre is (in gold) only .07216 of a gramme, 916⅔ fine, the value of the piece is but 4.4 cents, so that a para is equal to $\frac{11}{100}$ of a cent and the aspes are worth $\frac{11}{300}$ of a cent each.

The pound is worth $4.39.6; a 5-pound piece and divisions are provided for.

Silver coins are 20, 10, 5, 2 and 1 piastres, supposed to be 830 thousandths fine, the piastre weighing about 1.2 grammes.

The silver coins and even the minor coins are debased, so that the nominal ratio of 15.09 to 1 of silver to gold cannot be depended upon; 600,000,000 piastres of paper money issued from 1876 to 1881 was practically repudiated.

It is reported that the debased coins are being gradually withdrawn

Notes are now issued by the Imperial Ottoman Bank, which reports near the end of 1894 as follows through the office in London:

Resources.		Liabilities.	
Cash	£1,526,021	Capital	£5,000,000
Securities	5,030,148	Reserve	816,758
Loans	8,817,548	Circulation	870,051
Other	57,420	Deposits	6,850,695
		Other	1,893,633
	£15,431,137		£15,431,137

The coinage of Turkey has been:

Gold	1,277,120,844	piastres.
Silver	958,472,019	"

The estimated stock of money is:

Gold	$1,150,000,000	piastres.
Silver	690,000,000	"
Subsidiary	230,000,000	"
Uncovered notes	None.	"
Total	2,070,000,000	piastres.

ROUMANIA.

(Lei = 100 bani.)

This principality adopted the system of the Latin Union in 1867, but in 1890 the single-gold standard was adopted and the silver surplus sold. The weight and fineness of the coins remain the same, but the silver 5-ley piece is no longer full tender.

Roumania has had coined 47,700,000 lei of silver coins.

The lei is of course equal to 19.3 cents.

Notes are issued by the National Bank, which reports at the end of 1894:

(In lei.)

Coin	52,200,000	Notes	115,800,000
Loans	31,300,000	Deposits	8,500,000

Its capital is 7,500,000 leis and reserve nearly half that sum.

The circulation is limited to 2½ of paper to one of coin. About 4,000,000 of the coin in bank was silver.

The Government formerly issued notes to the amount of 125,000,000 lei, but these appear to have been withdrawn.

The stock of money in Roumania is estimated at:

Gold	75,000,000 lei.
Silver	17,500,000 "
Subsidiary coin	25,000,000 "
Uncovered notes	57,500,000 "
Total	175,000,000 lei.

SERVIA.

(Dinar = 100 paras.)

This kingdom also has the system of the Latin Union, since 1865.

Gold pieces at 1.613 grammes, 900 thousandths fine, to the dinar; and a full legal tender piece of 5 dinars equal to 25 grammes, with subsidiary pieces of exact proportion in weight, but only 835 thousandths fine; equivalent of the dinar, 19.3 cents nominal. Minor coin of nickel 20, 10 and 5 paras, and of bronze 10, 5 and 1 paras is furnished. There is no mint.

The 20 dinar gold piece is called the Milan d' or, after the former ruler.

The National Bank issues notes equal to thrice its metallic reserve. Its statement for the end of 1894 shows:

(In dinars.)

Coin	10,600,000	Capital	20,000,000
Loans	7,900,000	Notes	26,200,000
Advances	8,900,000	Deposits	7,700,000

Estimated monetary stock:

Gold	15,000,000 dinars.
Silver	5,000,000 "
Subsidiary	5,000,000 "
Uncovered paper	14,000,000 "
Total	39,000,000 dinars.

BULGARIA.

(Lew = 100 stotinki.)

This State also adheres to the Latin Union system, without being a member thereof. Its coins are exactly like those of Servia, under different names. Twenty centime pieces as well as 10, 5 and 2½ centimes are of nickel.

The coinage has been :

Gold	None.
Silver	5,000,000 lews.
Subsidiary	8,000,000 "
Minor	1,200,000 "

Notes are issued by the National Bank, and those of the Imperial Ottoman Bank also circulate.

A statement of the former near the end of 1894 includes :

(In lews.)

Cash	6,500,000	Notes	1,600,000
Loans	12,400,000	Capital	10,000,000
Advances	33,000,000	Reserve	750,000
		Deposits	35,000,000

Estimated monetary stock :

Gold	4,000,000 lews.
Silver	15,000,000 "
Subsidiary	20,000,000 "
Uncovered notes	None.
Total	39,000,000 lews.

BRITISH POSSESSIONS IN EUROPE.

Malta, Gibraltar, Cyprus.

Malta had its mint under the old regime of the Knights of St. John ; their coins were unlike most others in their day—1609–1800. The chief coin was the *scudo* of 12 *tari*, each of 20 *grani*.

Sicilian, and afterwards Spanish, coins superseded the native coinage ; even the South American dollars were for 10 years accepted by law. It was the Sicilian "dollar"—equal to 4 shillings 2 pence, which held the place of the chief monetary unit even after it had been demonetized in 1855. It was not until in 1885 the Italian Government demonetized the Sicilian pieces, that the British system was finally fully introduced.

Two local banks established 1809 and 1810 issue notes to the extent of about $130,000; and foreign bank notes to the amount of, perhaps, $25,000 also circulate. Gold stock estimated $1,600,000, six-sevenths British ; $650,000 in silver, of which $50,000 in French 5-franc pieces ; $25,000 in bronze minor coin, of which say $3,000 of pieces of the old style (grani) equal to ⅓ farthing.

Gibraltar still uses the Spanish monetary system in spite of the many attempts made to replace it with the British. The only evidence of British supremacy is the use of the bronze pieces coined at the London Mint, which are accepted at 48

to the 5-peseta piece or dollar. British gold and notes are not refused, however, and the silver is equally welcome.

The monetary stock is about :

Gold (British)	$40,000
Silver (Spanish)	350,000
Bronze	12,000

There are no local note issues.

The Anglo-Egyptian Bank has a branch here—the only incorporated bank in the place.

Cyprus. Too little time has elapsed since the cession of this island by Turkey to permit the full change to the British system. Much progress has, however, been made, due perhaps to the provision for a continuance of the piasters for the minor coinage. This coin is the old Turkish piece and 180 are reckoned to the £.

The monetary stock is estimated at :

Gold (English)	$1,500,000
Gold (foreign)	125,000
Silver (British)	300,000
Bronze	40,000

No notes circulate. The Imperial Ottoman Bank monopolizes the banking business.

ASIATIC COUNTRIES.

INDIA—CEYLON—HONG KONG—STRAITS SETTLEMENTS—JAPAN—CHINA—FRENCH POSSESSIONS—INDO-CHINA—FONG KING, ETC.—PERSIA—OTHER COUNTRIES.

ASIA.

This continent, containing the largest portion of the world's inhabitants, is practically under two monetary systems.

Beginning at the Red Sea and extending along the coast to Siam, the countries use the rupee; beyond this limit the dollar, formerly the Spanish, latterly the Mexican, is the unit for all the vast exchanges of the Orient.

The importance of this last mentioned coin, derived from the former supremacy of Spain, is an example, duplicated on the American continent, of the enduring influence of certain prejudices.

The ancient Dutch guilder was formerly potent throughout the islands and peninsulas of Southern Asia, but its influence is now confined to the islands of Java, Sumatra, etc.

BRITISH INDIA.

(Rupee of 16 annes = 4 pice @ 3 pie.)

India's currency system has been modified to a very important degree by the Government of Great Britain, but it has been impossible to deprive the 220,000,000 people of their ancient coins or their peculiar unit of value.

As is the case in most Asiatic countries, gold is not a legal tender, but is highly prized for ornamentation; nor is its value in procuring material from Europe disregarded. But for the purpose of circulation the *mohur*, the gold coin of India, might as well not exist.

It was in 1835 that the existing system was declared operative by law. The rupee was continued as the unit; this was the Madras rupee, preferred to a number of others. This coin, as well as the half-rupee, are unlimited legal tender, and until 1893 (June 26) the coinage was unlimited and practically free. A kilogram of fine silver produces 93½ rupees; the standard of fineness is 916⅔ thousandths, and the unit weighs 180 grains,=to 11.664 grammes, so that the nominal value of the rupee is 45.9 cents. It contains 165 grains of pure silver.

The coinage includes the half, quarter and eighth rupees, of exact proportionate weight and fineness of the principal coin; but the two last mentioned pieces are legal tender for fractional parts of a rupee only, hence to an amount not to exceed one rupee. They are also called the 4 and the 2-anna piece, respectively.

The gold coins are: the mohur, weighing exactly as much as the rupee and

of the same fineness, equivalent to 15 rupees, consequently coined at the ratio of 15 to 1; divisions of the mohur are the 10-rupee piece, equal to ⅔ of a mohur, and the 5-rupee piece or ⅓ mohur; there is also a double mohur equal to 30 rupees.

There is no limit to the coinage of gold, but a mint charge of 1 per cent.

The steady depreciation of silver in the markets of the world caused a material disturbance in the Indian exchanges with other countries; the indebtedness of India to Great Britain on railways and public improvements, besides its share of the expense of the Government in London, required the annual remittance of over £16,500,000 to the Home Government; these payments had to be made in gold or its equivalent, and since the receipts were, of course, in silver, the additional cost was increased with every decrease in the market price of the white metal; necessarily the burdens of the people were largely augmented. The council of the Government of India therefore recommended the appointment of a commission on the currency, and upon the recommendation of this body the mints of India were on June 26, 1893, closed to silver, with the avowed purpose of eventually establishing the single-gold standard.

The plan was involved considerably by the practice in vogue of providing for the remittances above mentioned by the sale of bills of exchange by the India council of the Home Government in London, instead of the actual export of coin from India. These bills were of course sold at about the ruling rate for silver in the market, and used by merchants to pay for merchandise imported from India.

The India council attempted to fix an arbitrary rate of exchange on these transactions; the theoretic par of exchange between England and India is 24½ pence, but the actual rate had fallen as low as 12 pence. The endeavor to arbitrarily fix a rate at about 16 pence failed and the plan in its entirety could not be carried out. No silver has, however, been coined since the suspension, except on Government account.

Amounts in rupees are stated in a peculiar manner. Thus a sum of 100,000 Rs. is termed a lac; and 100 lacs, equal to 10,000,000 Rs., are known as a crore. In the notation, however, 10,000,000 rupees would be stated thus: Rs. 1,00,00,000; but it is the custom to express large amounts in tens of rupees, thus Rx 1,000,000= 10,000,000 rupees.

An idea of the loss to India caused by the fall of silver may be obtained by the following comparison:

In 1873–4 the average rate of exchange was 22,315 pence; in 1892–3 the average rate was 14,985 pence; on a remittance of £16,500,000 the difference was therefore over Rx 8,700,000; the average annual loss in the period from 1874 to 1893 cannot have been less than Rx 4,000,000—say 40 million rupees, or about $18,400,000.

India is one of the examples of a very poor country; the minor coinage is not only in very small denominations, but is provided in vast amounts as the table of coinage below will show.

The minor coinage consists of copper; the anna is one-sixteenth of the rupee, consequently worth less than three cents; the coin of the smallest denomination

is the pie, equal to one-twelfth of an anna, consequently worth less than one-quarter of a cent.

The pieces are: Double pice or half anna; Pice or quarter anna; Half pice or eighth anna; Pie or twelfth anna.

The first mentioned weighs 200 grains; the others in exact proportions.

The mints are located at Bombay and Calcutta.

The coinage has been as follows from 1835 to 1891:

Rupees	Rs. 3,149,857,487
Half-rupees	50,462,090
Quarter-rupees	60,598,730
Eighth-rupees	41,582,530
Total silver	3,302,500,837
In 1892	55,539,738
In 1893	126,915,264
	Rs. 3,484,955,839

It is estimated that scarcely one-third of this amount is still in existence; large amounts have of course been recoined.

The gold coinage has amounted to Rs. 24,206,440 during the same period, although gold to the amount of Rs. 1,513,029,920 was imported (in excess of exports), and considerable amounts of gold are produced annually.

The coinage of copper pieces during the same period amounted to Rs. 54,930,000 of pieces as follows:

½ anna	8,930,000 rupees.
¼ anna	40,500,000 "
½ pice	2,500,000 "
Pie	3,000,000 "

In addition there were struck at the mints of India fully $2,000,000 worth of copper 5 cents, 1, ½ and ¼ cents for Ceylon, etc.

The mints of India also coin for the neighboring possessions of Portugal.

The need of a large number of small coins is clearly shown; so vast a population with the most economical habits, whose daily wage can readily be discharged in copper, or at least small silver coins, requires a larger proportion than other people.

The paper currency of India now consists of notes issued by the Government alone, since the law of July 16, 1861, which prohibited bank issues. The supervision is in the hands of commissioners and deputies, and issues are made by geographical districts (eight), and the notes are redeemable only at the place of issue. They are legal tenders to any amount for all debts, public and private, in the respective districts, and must be received by the Government irrespective of the place of issue. The issue is limited to coin and bullion received in excess of 80,000,000 rupees (formerly 60,000,000), which amount may be issued upon securities of the Government. The denominations of the notes run from 5 to 10,000 rupees; Rs. 257,000,000 circulate, all but Rs. 70,000,000 covered by metal.

Allusion has been made to the hoards of gold in India. The most remarkable evidence of the existence of such accumulation of gold in the shape of native

coins as well as ornaments, is the large amounts brought to the mints in periods of famine. Reports reach us of hoards brought to light by the death of native princes in two cases recently, amounting to £4,000,000 each. For the thirty-three years ending in 1892, India had imported and retained nearly $630,000,000 in gold.

The five banks doing business in India and reporting to the Home Government in London are the Agra Bank, the Delhi and London Banking Company, the Mercantile Bank of India, the National Bank of India and the Bank of India, Australia and China. The statement of the last mentioned one will be found under China. The other four report:

Resources.		Liabilities.	
Cash	£2,837,012	Capital	£1,999,095
Securities	1,490,026	Reserve	140,000
Loans	11,099,724	Deposits	8,871,254
Other	383,632	Other	4,800,045
	£15,810,394		£15,810,394

The Hong-Kong and Shanghai Bank, the Bank of China, Japan and the Straits and others do business.

Three great local banking institutions are the Banks of Bengal, Bombay and Madras.

A recent statement of the two first mentioned shows (in rupees):

Resources.		Liabilities.	
Cash	90,785,000	Capital.. } Reserve . }	38,450,000
Securities	28,785,000		
Loans	53,886,000	Public deposits	24,220,000
Other	3,952,000	Other	114,728,000

The estimated monetary stock is:

Silver	$950,000,000
Uncovered notes	37,000,000
Minor	25,000,000

Native States of India.

Many of these States continue to have coinages of their own. Thus, that of Pudakota has had 2,000,000 pice struck in 1889; Sindia, Nepal, Dewas and the Punjab still use their own pieces, but those of British India circulate freely.

CEYLON.

(Rupee = 100 cents.)

Although this island passed from the Portuguese to the Dutch and thence to the British, the intermediate Dutch monetary system has entirely disappeared. The present unit is the rupee of either Portuguese or British India; but divisional coins are of 50, 25 and 10 cents in silver, and the 5, 1 and ½ cents of copper; 100 of these cents are nominally equal to 44½ cents of the United States.

The silver pieces are 800 thousandths fine, and legal tender to five rupees; copper coins to ½ rupee. The coinage is executed at the Calcutta mint and in London.

It is estimated that the stock of money is, silver Rs. 11,500,000; of which only

about one-third is in circulation ; the remainder in banks and held by the Government against notes ; copper Rs. 948,966, a very large sum.

In 1884, the Oriental Bank which had supplied notes failed. Accordingly, the Government undertook the issue of paper money, of 5, 10, 50, 100, 500 and 1,000 rupees ; to be full legal tender, and redeemable in silver on demand ; half the reserve must be held in coin, the remainder in Government securities other than those of Ceylon. About Rs. 7,500,000 are in circulation against which are held silver Rs. 4,478,581, and securities Rs. 3,058,000.

HONG-KONG.

(Dollar = 100 cents.)

Perhaps the greatest struggle against preconceived notions is found in the monetary history of this island, which has become the entrepôt of a very large part of the trade of China with the rest of the world.

The Chinese had a decided preference for the Spanish dollar, which for decades had passed current throughout the Orient. When the British obtained possession of Hong-Kong they attempted to introduce their system, but failed.

Finally, in 1863, the inevitable was recognized ; the Mexican dollar, the modern prototype of the old Spanish, which was equally favored in China, was made full legal tender in the colony, as well as other dollars of equal value ; provision was made for the coinage in London of subsidiary and minor pieces ; the latter in denominations of 1-100 and 1-1000 of a dollar. This last mentioned piece was expected to supplant the Chinese "cash."

The result was not as satisfactory as expected, and before much was accomplished the Colonial Government established a mint in Hong-Kong in 1864. The following pieces have been coined at this establishment

Dollars of 416 grains, 900 thousandths fine	$2,108,054
Half-dollars of 208 grains, 900 thousandths fine	58,587

The above are full legal tender.

20-cent pieces, 800 thousandths fine	$445,429
10-cent pieces, 800 thousandths fine	2,479,216
5-cent pieces, 800 thousandths fine	1,313,303

Cash to the number of $1,000,000 have also been provided.

The value of this dollar at the United States coining rate was therefore $1.008, that of the Mexican dollar is $1.016.

These coins did not at once find favor and the mint was closed in 1866. Later the coins were sought after.

Japan purchased the mint-plant and issued dollars of exactly the same weight and fineness ; the United States issued a trade dollar of 4 grains more ; but all of these were unable to displace the Mexican piece, although it was of less value than the last mentioned.

In the colony at present the Mexican dollar continues full legal tender ; subsidiary pieces of 50, 20, 10 and 5 cents are tenders up to $2, and are provided by the London and Birmingham mints, as are also the cents of bronze, legal tender

to $1. The coinage has amounted to over $9,800,000, chiefly of 10 and 5-cent pieces, which were very popular until China herself began to coin silver (1890). The bronze cents remain a very useful medium.

The stream of Mexican dollars continues to flow to the East as steadily as ever. The stock of silver in the vicinity of Hong-Kong is estimated at $70,000,000.

The Hong-Kong and Shanghai Bank issues notes not only for the colony, but for this entire section of the East. It has branches at every important port.

It was chartered by the local Government in 1866 with a capital of $10,000,000; its note issue is limited to that sum; shareholders are liable without limit for the notes; a reserve of at least one-third must be maintained in Hong-Kong; notes are of denominations of $5 and multiples and are issued at any of the points where needed.

The bank's condition in 1894 was reported to the Home Government as follows:

Resources.		Liabilities.	
Cash	£1,828,439	Capital	£1,053,000
Bullion	939,160	Surplus	442,000
Investments	768,000	Circulation	1,039,000
Loans	10,989,000	Deposits	9,705,000
Other	137,000	Other	2,397,000

Notes are also issued by the Chartered Bank of India, Australia and China, under charters from the Home Government; (formerly also by the Mercantile Bank of India, recently reorganized without issues).

The Chartered Bank shows as follows:

Resources.		Liabilities.	
Cash	£1,979,000	Capital	£800,000
Securities	800,000	Surplus	250,000
Loans	8,008,000	Notes	613,000
Other	105,000	Deposits	5,433,000
		Other	3,796,000

Of the notes of the two banks about $4,500,000 circulate about Hong-Kong, the remainder in the Straits Settlements and elsewhere. They bear on their face the indicia of value both in Chinese and English characters.

STRAITS SETTLEMENTS.

(Dollar = 100 cents.)

This colony, embracing the busy ports of Singapore and Penang, passed through a history the same as Hong-Kong, except that for a time the rupee attempted to crowd out the Spanish-Mexican dollar. The result was the same. So that now the colony has the Mexican dollar, full legal tender; subsidiary silver and minor coin identical with that furnished Hong-Kong comes from the London mint, where it is struck specially for the Straits. The amount of subsidiary silver furnished is about $2,750,000 and of minor coin $368,850.

Notes are issued by the same banks that serve Hong-Kong. The amount of circulation is about $4,000,000, but has been much greater.

Banking facilities are also afforded by the Bank of India, China and the Straits, reporting under its charter to the Home Government :

Resources.		Liabilities.	
Cash	£65,243	Capital	£278,371
Securities	545,615	Deposits	1,334,898
Loans	2,537,775	Other	1,657,114

JAPAN.

(Yen=100 sen.)

Prior to 1871 Japan's money consisted of the *cobang*, of gold, weighing about 200 grains, and the *boo* or *itzebu*, or *ichebu*, of silver, weighing 140 grains. They regarded the latter worth one-fourth the former, but finally reduced the weight of the cobang to 50 grains. The relation then was as 560 to 50, a ratio of 11.02 to 1.

But in 1871 a reorganization of the system took place. The unit now in use, the *yen* of 100 *sen*, was adopted. This coin was struck in both gold and silver, the latter approaching the Mexican dollar current in the vicinity ; it contains 416 grains, or 26.9563 grammes, of silver 900 fine ; the gold yen at first contained 1.5 grammes of standard metal (900 thousandths fine), but was subsequently changed to 1.667 grammes, thus fixing the ratio at about 16.11 to 1.

Although Japan is classed as a double-standard country, it has, in fact, more nearly a single-silver standard.

The silver coinage is at present suspended, except on Government account.

Japan formerly coined a trade dollar at 420 grains 900 thousandths fine, but it has not proved a very desirable coin.

The gold pieces coined are :

	Weight in Grammes.	Weight in Grains.	Value.
20 yen	33.333	514,400	$19.93.8
10 "	16.667	257,200	9.96.9
5 "	8.333	128,600	4.98.4
2 "	3.333	51,440	1.99.4
1 "	1.667	25,720	.99.7

The silver yen is worth, nominally, $1.008. Subsidiary pieces are only 800 thousandths fine and weigh 208 grains to the half yen, or 50-sen piece ; there are also 20, 10 and 5 sen pieces, the last mentioned being worth at our coining rate only 4.4 cents.

The minor coinage is composed of nickel for the 5-sen piece and of copper for the 2, 1 and ½ sen pieces.

The coinage has been :

Gold	66,156,000 yen.
Silver	101,452,000 "
Subsidiary	28,000,000 "
Nickel	3,768,000 "
Copper	12,418,000 "

The supply of minor coins is therefore very large.

Trade dollars were coined to the amount of 3,057,252.

There are Government notes in use in denominations as low as 20 sen; formerly also 10 sen. But all of these notes are gradually being retired and Bank of Japan notes substituted.

Bank-notes were formerly issued by institutions similar to the national banks of the United States and consequently secured by bonds; but the system is in course of being superseded by the single bank of issue. By 1897 all national charters expire.

The Bank of Japan issues notes against silver, convertible at any time; these are almost like the silver certificates of the United States. But the bank is permitted to hold against the notes, gold as well as silver coin, and Government obligations and first-class commercial paper.

At the end of 1894 there were:

Government notes	9,000,000 yen.
Bank notes	22,000,000 "
Silver certificates	134,600,000 "

The statement of the issue department of the Bank of Japan, which, like that of the Bank of England, is kept separate from the banking department, is as follows for December 29, 1894:

Circulation	145,572,739 yen.
Gold coin and bullion	32,346,062 yen.
Silver coin and bullion	49,650,751 "
Total metal	81,996,813 yen.
Government obligations	46,071,755 "
Other securities	4,500,000 "
Commercial paper	13,004,171 "
Total reserve	145,572,739 yen.

The bank held in its banking department 10,977,599 yen of its own notes, leaving in actual use 134,595,140 yen.

The bank is privileged to issue notes to any amount upon actual deposits of specie or bullion; it may also issue upon securities to the present amount and to such further amount as may be surrendered by national banks; it may, finally, issue, in cases of emergency, with the consent of and subject to a variable tax to the treasury, a further amount on commercial paper. It is compelled to redeem its notes in silver yen.

The incorporated banks in Japan, 166 in number, show the following in recent reports:

Capital	62,916,100 yen.
Surplus and profits	42,057,780 "
Deposits	69,595,637 "
Loans	94,806,578 "
Other resources	247,791,569 "

Private banks, numbering 604, report :

Capital	31,030,248	yen.
Surplus	2,803,666	"
Deposits	38 426,210	"
Loans	48,903,589	"

The Yokohama Specie Bank, included in the above-mentioned incorporated banks, reports to London, 1894 :

Resources.		Liabilities.	
Cash	£2,204,882	Capital	£750,000
Securities	909,782	Surplus	614,717
Loans	4,101,406	Deposits	2,650,339
Other	8,640	Other	3,209,654
	£7,224,710		£7,224,710

The approximate stock of money is :

Gold	80,000,000	yen.
Silver	72,000,000	"
Subsidiary	16,000,000	"
Minor	10,000,000	"
Uncovered notes	83,600,000	"
	261,600,000	yen.

CHINA.

(Dollar=100 cents.

Until very recently China has had no coinage of its own unless the very inferior brass "cash," small discs with square holes through them, and of which 1,350 are estimated to be worth a tael, can be considered. The metallic circulating medium is almost entirely silver, and in addition to the Mexican *peso* a number of other silver coins are in use; many of these are divided by cutting, and almost as much silver in the shape of small bars or slugs circulates. Every piece, however, must, in order to be acceptable, be stamped or "chopped" by some well-known mercantile concern or local governor, as a voucher for its weight and fineness. When the trade dollars of the United States were returned for redemption in 1887 numbers of them bore these peculiar Chinese stamps. Gold is not a legal tender.

In 1890 China finally opened her mint at Canton and has coined as follows :

	To 1892.	In 1893.
Dollars	$43,933	$14,579
Half-dollars	8,923	45,187
20-cent pieces	1,583 478	13 923,983
10-cent pieces	2,054,858	14,216,417
5-cent pieces	62,497	127,000

These pieces are supposed to be of the following fineness :

Dollars	900	thousandths.
Half-dollars	860	"
Smaller	820	"

But they are really considerably less good.

The weight of the dollar is .72 tael, and of subsidiary pieces in proportion.

The tael is a weight, but in a sense also a unit of value; there are, however, several kinds of these: the Shanghai, the Haikwan, etc.

It is doubtful if the Chinese dollar will prove more successful than the others in driving the Mexican out of the Oriental trade.

"Cash" are now coined out of metal composed of 60 per cent. copper and 40 per cent. zinc; 137,000,000 were issued in 1892. The square hole in the centre is used to string them, and 1,000 are usually issued on a string, at a valuation of about 972 to the peso or Mexican dollar (equal to $1.01.6). The mint can turn out 500,000 cash per day.

Notes of certain foreign banks, such as that at Hong-Kong, circulate freely; and in some of the provinces local banks are authorized to issue them. But no statistics are published. China is supposed to be the first nation in the world to experiment with paper money, having had an abundance of irredeemable "shinplasters" many centuries before the present era. To-day the mass of the 400,000,000 of people supposed to inhabit the Empire use the "cash" only, in their daily transactions.

Besides the Hong-Kong Bank, the Bank of China, Japan and Straits, the Bank of India, Australia and China, reported elsewhere, the National Bank of China, also chartered by Great Britain, does business.

A statement of its condition October, 1894, follows:

Resources.		Liabilities.	
Cash	£74,369	Capital	£332,831
Loans	706,415	Circulation	19,788
Investments	10,000	Deposits	316,717
		Other	115,623

Taking the Haikwan or Government tael as a basis, 100 of these are equal to 111.4 of the Shanghai, 101.75 of the Amoy, 105 of the Tientsin, and 102.15 of the Canton; the last-mentioned is equal to 579.84 grains, or 37.573 grammes, and is the usual mercantile tael.

The Haikwan tael is 590.35 grains, or 38.246 grammes pure silver; that of Shanghai 564.2 grains or 36.56 grammes .898 fine.

This gives the nominal value at the coining rate of the United States, of the Haikwan tael, $1.59; Shanghai tael, $1.36.

The divisions of the tael are nominally: 1 tael=10 mace of 10 candareens or fun, each candareen being equal to 10 cash or li; but intermediate pieces are not in use.

Compared with the Mexican dollar, the mercantile tael is equal to $1.395 and 1,000 dollars equal to 717 taels.

Estimated Monetary Stock.

Silver	$750,000,000
"Cash"	200,000,000

FRENCH INDO-CHINA.

Tong-King, Annam, Cambodia.

(Piaster=100 cents.)

These recent acquisitions of France have not been converted to the monetary system of the Latin Union. The Paris mint, therefore, furnishes them with silver coin based upon the unit in use throughout this section of the world—the Mexican dollar.

The Indo-China piaster contains of silver 27.215 grammes, 900-thousandths fine, and is divided into hundredths or cents of proportionate weight and the same fineness. This unit is, therefore, better than the Mexican, Hong-Kong and Japanese trade dollars, and exactly the same as the trade dollar of 420 grains formerly issued by the United States.

Minor coins of bronze are also supplied from the mint at Paris.

Recent coinages for these sections have been:

Of silver	16,000,000 piasters.
Of bronze	18,000 "

Cambodia has had coined in Birmingham 30,500 kilograms of subsidiary silver.

Notes are issued by the French Bank of Indo-China, which reports for 1894:

(In francs.)

Resources.		Liabilities.	
Cash	9,080,000	Capital	3,000,000
Loans	19,415,000	Reserve	1,546,000
In banks	6,938,000	Notes	22,482,000
Other	1,285,000	Deposits	8,577,000
		Other	1,113,000
	36,718,000		36,718,000

The French still retain the small colony of Pondicherry and vicinity in India. The money in use is largely that of India—the rupee; but the franc is being used more and more.

PERSIA.

(Toman = 10 krans @ 20 shahis.)

Nominally double-standard, Persia is in fact more nearly a single-silver standard country; actually, however, its coins cannot be depended upon. The theoretic system has for the unit, the toman of gold, weighing 43.981 grains of 900 thousandths fineness, equivalent to $1.70.4. It is divided into 10 krans of 20 shahis each.

The kran is a piece of 71.065 grains of silver 900 thousandths fine, and hence worth nominally about the same as the subsidiary franc of the Latin Union, say 17 cents. Pieces of 5, 2, 1, ½ and ¼ krans are struck.

The actual fineness of coins is found to be as low as 760 thousandths, the coinage being farmed out by the Government. Copper pieces of 2, 1 and ½ shahis are furnished in large quantities. The shahi is worth nominally 17-20, and the smallest coin 17-40 of a cent.

Statistics of the coinage are not available.

Notes are issued only by the Imperial Bank of Persia and its branches, redeemable only at the place of issue, and in denominations of 1, 2, 3, 5, 10, 20, 25, 50, 100, 500, and 1,000 tomans.

A statement of the bank for 1894 from its report filed in London, shows :

Resources.		Liabilities.	
Cash	£187,601	Capital	£1,000,000
Securities	373,406	Reserve	100,000
Loans	1,575,040	Circulation	59,107
Other	19,351	Deposits and accounts	964,570
		Other	31,721
	£2,155,398		£2,155,398

SIAM.

(Tical = 64 lots @ 100 cowries.)

This country has a peculiar monetary system, based upon cowries or shells, now not much used, but formerly the principal medium in many parts of Asia and Africa.

To a certain extent small coins of pewter and of copper have been introduced to take the place of the shells. The equivalents are : 800 cowries = 1 fuang ; 1 bat or tical = 4 salungo, each twice the value of the fuang. The bat or tical is therefore equal to 6,400 cowries.

The pewter pieces are known as lots and ats ; two of the former equal one of the latter ; the copper piece is equal to 2 ats, of which there are 16 to the tical. It follows that the lots or smallest pieces, of which 64 equal one tical, are equal to 100 cowries ; 220 cowries are held equal to one penny English, so that the lot is nearly equal to the half-penny and the tical to 30 pence, or about 60 cents. Five ticals are held equal to three Mexican dollars.

Apparently the tära, a name used for large sums, is worth 400,000 ticals, or about $240,000 Mexican.

The tical is a small bit of a silver bar, bearing a stamp ; intermediate pieces are, however, similar to coins. The tical contains nominally 236 grains, or 15.292 grammes, and said to be 906¼ thousandths fine.

The Hamburg mint has coined pieces for Siam, and in 1891 bronze pieces valued at 400,000 ticals were made in Birmingham.

It is reported that a coinage of 8,160,905 ticals took place in 1892.

The estimated amount of silver in use is 40,000,000 ticals. Bank-notes to the amount of $675,000, issued probably by some of the colonial institutions of Great Britain, circulate.

KOREA.

(Yang = 100 cash.)

Under the influence of Japan a mint was actually established in Korea, but no coinage, properly speaking, has taken place.

The actual currency consists of Japanese coins, Mexican dollars and the

copper cash similar to those of China. Evidently these are of very inferior substance, since it is estimated that 3,750 are equal to a Mexican dollar.

The proposed coinage includes the unit yang, equal to 20 sen of the Japanese; nickel and copper pieces are to be struck, and the cash is to be raised in value so that 100 equal 1 yang.

OTHER COUNTRIES.

Afghanistan has no coinage, properly speaking. The rupee is the money of account and Russian and British pieces circulate.

The mint recently established at Cabul has not accomplished much.

The coinage is to be based upon the rupee to be called the Kabuli rupee—the krans of Persia of half the value, and copper pice, of which 72 are to go to the rupee.

Baluchistan uses the rupee, derived from the neighboring States of India.

The Portuguese possessions in Asia use a coinage of which the unit is the xerafin, equal to ½ rupee, or 5 tangas, each of the latter equal to 60 reis. The Ultramarine Bank and the local government issue notes.

Burmah is furnished with coins from the mints in India. The so-called peacock rupee is in use.

Siberia.—This vast possession of the Russian Empire is rather sparsely settled and trade is not highly developed. It has no monetary system but that of the Empire.

The Central-Asiatic section of Turkestan, Khiva and Bokhara uses several kinds of money, but very little of any one. The Russian paper and silver coins predominate. A coin of silver called the kokan, is being withdrawn by Russia.

Asiatic Turkey, including Arabia, uses the Ottoman monies.

AFRICAN COUNTRIES.

Egypt—Algeria and French Possessions—Cape Colony and other British Possessions—Congo State—Transvaal—Other Countries.

EGYPT.

(£E=100 piastres of 10 ochr-el-guerche.)

This ancient country adopted the single-gold standard in 1885. Prior to that year it had the Turkish system with the piastre of 40 paras.

Its own former coinage amounted to :

Gold	263,718,000	piastres.
Silver	71,309,000	"
Copper	15,273,473	"

In addition the Paris mint coined for Egypt from 1865 to 1872 :

Gold	37,095,000	piastres,
Silver	45,700,000	"
Bronze	145,000,000	"

The new system adopted in 1885 has for its basis the pound of 100 piastres ; each piastre is divided into 10 ochr-el-guerche or tenths. Gold alone is full legal-tender, but the gold pieces of other nations are taken at their value, some of them at the public treasury.

Silver is legal tender to 100 piastres and nickel and bronze minor coins to 10 piastres.

The pound is a piece of 8.5 grammes or 131.172 grains, 875-thousandths fine ; its value is therefore greater than that of the pound sterling, viz.: $4.94.3.

The gold pieces are the pound, the half-pound or 50 piastres, 20, 10 and 5 piastres. In fact, however, the small pieces are not coined.

Silver is coined in pieces of 20, 10, 5, 2 and 1 piastres ; provision is also made for ½ and ¼ piastres; but as these are very small divisions, they are not actually struck. The weight of the silver piastre is 1.4 grammes or 21.604 grains ; the fineness of all silver is but 833⅓-thousandths ; the value of the piece is therefore 4.9 cents (nominal).

Nickel coins are made in denominations of 5, 2 and 1 ochr-el-guerche, and bronze pieces of ½ and ¼ of that division. The smallest piece is therefore $\frac{1}{40}$ of a piastre, consequently $\frac{1}{40}$ of 4.9 cents or $\frac{4.9}{400}$, say nearly ⅛ of a cent.

The new coinage for Egypt has been executed at the Berlin mint, and up to 1893 it has been as follows :

	Piastres.
Gold (all of 100 piastres)	5,202,400
Silver	139,102,261
Nickel	12,621,841
Bronze	531,720

The large volume of the minor coinage bears testimony of the poverty of the mass of the people in Egypt. No less than 14,000,000 bronze and 34,000,000 nickel pieces have been furnished in the eight years since the new system was introduced, beside the large quantities of the old coins still in use.

It should be stated that the change in the coinage system did not involve any change in the relative value of the pieces. The new system is simply an extension of the old.

The stock of gold in Egypt is quite large ; it is estimated that fully $120,000,000 are held there ; but of course the mass of the inhabitants never see it, nor do they know the use of notes.

Paper money is not issued in Egypt. There are many banking institutions, of which two of the principal ones are the Bank of Egypt and the Anglo-Egyptian Bank, which report to London for 1894 as follows :

Anglo-Egyptian Bank.

Resources.		Liabilities.	
Cash	£338,377	Capital	£400,000
Securities	148,175	Reserve	60,000
Loans	1,356,201	Deposits	695,000
Other	504,699	Current accounts	711,554
		Other	480,898
	£2,347,452		£2,347,452

Bank of Egypt.

Resources.		Liabilities.	
Cash	£37,994	Capital	£250,000
Loans	852,094	Reserve	100,000
Securities	99,271	Deposits	362,612
Other	14,819	Other	291,566
	£1,004,178		£1,004,178

FRENCH POSSESSIONS.

(Franc = 100 centimes.)

ALGERIA.

This prosperous colony of France has the system of the mother country in its entirety ; the ancient coins of the Moors having been superseded.

The unit is the franc of the Latin Union, and its multiples and sub-divisions. The coins are the French pieces of the several denominations.

Notes are issued by the Bank of Algiers and its branches, modeled very largely upon the lines of the Bank of France.

Its condition at the end of 1894 was :

Resources.	(In francs.)	Liabilities.	
Cash	34,251,000	Capital	20,000,000
Securities	11,866,000	Reserve	7,895,000
Loans	98,820,000	Notes	79,244,000
Branches	98,597,000	Branches	98,404,000
In other banks	7,395,000	Deposits	5,133,000
Other	21,681,000	Public Deposits	56,734,000
		Other	5,200,000
	272,610,000		272,610,000

Tunis.

This province of North Africa formerly had a system akin to that of Turkey, to which it belonged. The unit was the piaster of 16 karobs, the unit being equal to about 11⅔ cents.

Since the French have come into possession of the country the franc has been introduced and is gradually crowding out the old coins. The piaster is made equal to $\frac{3}{5}$ of a franc.

France has, from the Paris mint, furnished some 25 piastre gold pieces; but also:

Gold in 20 and 10-franc pieces	30,500,000 francs.
Silver in 2, 1, ½ and 1-5 francs	5,941,000 "
Bronze (8,400,000 pieces)	672,000 "

Native pieces equal to 26,000,000 francs have been retired.

Notes of the Bank of Algiers as well as those of the Bank of France circulate.

The stock of money may be placed at 40,000,000 francs, of which 34,000,000 francs is in gold.

Senegal, Gaboon, Etc.

These French possessions on the west coast of Africa are under the French system of money. No separate coinage is provided for them, nor are pieces of other nations excluded. In fact, the British money in use in Gambia is found in these parts also.

Madagascar.

The French have obtained control of this large island quite recently, and the franc has become the prevailing coin. The five-franc piece is known as the "dollar," having supplanted the Mexican piece. Nominally there is a unit nearly like the dollar of old Spain, and called the ariary. It is theoretically subdivided into 720 parts. "Cut coin" is largely used for divisions, but France will probably correct this by introducing fractional and minor pieces.

Réunion.

(Franc = 100 centimes.)

This island, adjacent to Madagascar, has for many years been in the hands of the French, consequently the system of the Latin Union prevails.

Notes are issued by the Bank of Réunion, to the amount of about 12,000,000 francs.

BRITISH POSSESSIONS IN AFRICA.

Cape Colony.

The Dutch ceded this valuable colony to the British in 1795. Prior to this date not only the Dutch coins but other pieces of the leading commercial countries circulated. Here, again, as a "way-station" to the Spanish possessions in the East, we find the Spanish milled dollar. After equalizing these various coins to the British standard, the colony issued paper currency which depreciated and continued fluctuating until about 1826. The rix-dalers of Holland were in that

year replaced by British pieces, and the paper rix-dalers were retired by 1841. The sovereign became and is to-day the standard, and the only full legal tender; but it was not until 1882 that the British system became fully established.

The Cape exported up to 1888 about $33,000,000 less gold than it imported; consequently its circulation was well provided for. Since 1888 the Cape has been a very large exporter of gold. Its imports of silver have amounted to about $1,000,000 more than the exports; as a large portion of the exports were undoubtedly in bullion, and as the British mint reports having furnished at least $2,000,000 of subsidiary silver in recent years, it may be presumed that there are $3,000,000 of silver subsidiary coins in the colony. The amount of gold and silver which has been distributed beyond the borders of the colony proper, is estimated at about one-half of the above apparent holdings. Bronze coins have been furnished according to requirements, which are here less than in most countries. All the coins are of the Imperial or the Sydney mint stamp—no pieces being struck particularly for the Cape.

After the retirement of the old rix-daler paper in 1841, banks issued notes under liberal laws; in 1864 a tax of 1½ per cent. was imposed on circulation; in 1875 the issues were limited to the capital of the banks; no other restrictions were placed upon the issue. In 1890-91 several banks closed and their notes were worthless; accordingly the law of 1891 provided for the securing of notes by deposits of bonds of the colony, or of $\frac{4}{5}$ bonds and $\frac{1}{5}$ treasury exchequer bills; furthermore the notes were made a first lien on the other assets of the banks.

The denominations are £1, 5, 10 and 20.

The system, very like the National-bank system of the United States, was made use of to float bonds of the colony.

In 1870 it was proposed to issue Government notes upon gold deposits on the basis of about 3 to 1, but it failed to be adopted by the Council.

The present issuing banks of the Cape are only three in number; they have in circulation about $4,000,000 in notes, against about $5,000,000 in 1889. The specie holdings are from 4 to 5 times greater than the note issues. The notes are legal tender.

These banks are chartered by the Imperial Government as well, and reported to the Home Government for 1894:

Resources.		Liabilities.	
Cash	£4,287,511	Capital	£1,547,645
*Securities	1,853,199	Surplus	795 000
Loans, etc	11,070,118	Circulation	840,340
Other	638,611	Deposits	11 699.015
		Other	2,967,439
	£17,849,439		£17,849,439

The Standard Bank holds £13,000,000 out of the total of the above-named resources. It has a number of branches.

Bechuanaland, Mashonaland and the unorganized territories under British control should be included with the Cape Colony.

* Includes bonds deposited to secure circulation.

Natal.

This colony experienced difficulties similar to those of the Cape, but in a less degree. It appears strange that after the British system had been introduced, the colony lacked divisional coins for a long time, so that small change commanded a premium of 6 pence to the pound; rupees were for a time introduced from Mauritius.

This was finally corrected. The Imperial mint has furnished about $700,000 in subsidiary silver; and bronze coins to a limited amount.

Notes are issued by the Natal Bank; a statement appears below.

The circulation is about $1,100,000, more than covered by specie in coffers.

Cash	£1,210,276	Capital	£786,237
Securities	654,493	Surplus	48,000
Loans	2,490,407	Notes	190,599
Other	137,717	Deposits	3,196,864
		Other	271,193
	£4,492,893		£4,492,893

West Africa.

Sierra Leone, Lagos, Gambia, Gold Coast.

After an experience with various coins, and even with "cut money,"* these colonies finally settled down to the use of 5-franc pieces and British subsidiary and minor coins.

It is estimated that there is about $100,000 of the former and $750,000 of the latter coin in the colony. Gold is not used much.

French pieces are in use owing to the relations with the adjoining French colony of Senegal.

The British mint has furnished for all the colonies on the West Coast of Africa about $600,000 of subsidiary silver coin.

No paper money is issued, although the African Banking Corporation of Cape Colony has been considering the advisability of doing so.

Saint Helena.

This island possession, owing to its being in the way of all vessels passing around the Cape, permitted all kinds of money to pass for many years. In 1880 British coins were made the sole tenders; there are no note issues and gold is not in circulation extensively. $16,000 in subsidiary and minor coin has been furnished by the London mint. The entire monetary stock is estimated at $50,000.

Mauritius.

(Rupee = 100 cents.)

This island, although nearer Africa, has an Asiatic currency system. It was formerly a French colony. The rupee displaced, finally, all other coins in 1876. But the French influence remained in force in providing divisional coins of 20 and

* Coins cut into pieces and so circulated.

10 cents of silver 800 thousandths fine and of 5, 2 and 1 cents of bronze, struck specially for the island in London.

The 20 cent piece weighs only 2.333 grammes and is therefore equal to but 8.1 cents at the coinage rate of the United States. The 5-cent piece is really equal to a penny.

Of these there have been coined :

20 cents	Rs. 118,000	
10 "	143,000	
		261,000
5 "	32,500	
2 "	32,500	
1 "	32,500	
		97,500

A former paper circulation in dollars was superseded by legal tender Government notes, issued one-half on metal and one-half on securities.

The amount in circulation is usually somewhat under Rs. 3,000,000.

At the end of 1891 it was Rs. 2,688,250.

Secured by silver	Rs. 1,124,000	
" bonds	1,544,250	
		2,688,250

British East Africa.

The company trading here has had ten tons of cents coined for use among the natives, and 43,555 rupees in silver.

CONGO STATE.

This State, now under an international administration, with the King of the Belgians at its head, uses the system of the Latin Union. Only silver and minor coins are furnished, however.

The mint at Brussels has turned out :

Silver 5 francs	190,000 francs.
" 2 "	80,000 "
" 1 "	90,000 "
" ½ "	40,000 "
Copper 10 centimes	14,000 "
" 5 "	8,750 "
" 2 "	500 "
" 1 "	2,750 "
	426,000 francs.

TRANSVAAL.

(£ = 20 shillings @ 12 pence.)

This South African Republic has, in order to facilitate its commerce with Cape Colony and Natal, adopted the British monetary system instead of the former Dutch money.

The German mint furnished the coins, amounting to about £31,000, as follows:

Gold	£20,725
Subsidiary silver	10,175
Bronze minor (pennies)	116

This does not, however, represent all of its coinage. Naturally the British coins in use in the Cape Colony and Natal circulate freely.

Notes are furnished by the National Bank of the South African Republic, which reported for 1894:

Resources.		Liabilities.	
Cash	£714,903	Capital	£502,000
Securities	542,867	Surplus	8,000
Loans	939,086	Notes	130,183
Other	84,616	Deposits	1,579,004
		Other	62,283
	£2,281,472		£2,281,472

The Transvaal is at present one of the principal producers of gold in the world.

Orange Free State.—This independent Dutch Republic uses British money just as the South African Republic, Natal and Cape Colony, adjoining. No data of the kind and volume of money are available.

ZANZIBAR.

This State uses dollars of both gold and silver; the minor coin is called the pesa. The mint in Belgium has supplied the coins as follows:

Gold	$10,000
Silver	110,000

Gold coins are 900 thousandths fine, the 5-dollar piece weighing 8.359 grammes, and the 2½ dollar piece one-half thereof. Silver pieces, also 900 thousandths fine, are in denominations of $1 (27.2155 grammes), ½ and ¼ dollar; the pesa, or cent is of 6.4799 grammes, all of copper; 23,324,000 of the cents have been furnished. The Maria Theresa dollar and the rupee also circulate freely.

OTHER COUNTRIES.

Tripoli—This ancient North African province of Turkey has a single-silver system, if its monetary arrangements can be termed a system.

The unit is the silver mahbub of 20 piastres, Turkish.

The monetary system of Morocco is practically a silver system. The ounce (okia) is a silver piece equal to 2½ francs, therefore about the same as the Austrian florin.

The Paris mint has recently furnished in pieces of 5, 2½, 1 and ½ ounces, about 8,000,000 francs.

The ounce is divided into 4 blankeels, of 6 floos each, the latter being equal to 9-100 of a penny or about 18-100 of a cent.

The Cape Verde Islands, possessions of Portugal, use the Portuguese currency; but those on the East coast (Mozambique, etc.) use the rupee and the coins current in Zanzibar. There is also a barinha equal to 26½ reis in use. In the West Coast possessions the macuta, equal to 50 reis, is preferred.

Eritrea and Abyssinia.—These Italian dependencies while using the Maria Theresa dollar as well as rupees and Egyptian pieces, have been supplied with about $1,800,000 in "Eritrean" dollars, halves, quarters and tenths from the Italian mint. The pieces are exact equivalents of those of like value of the Latin Union.

Liberia.—This republic, while it is supposed to use money of the United States, practically accommodates itself to circumstances by receiving the coins of Sierra Leone, Senegal, etc., as well as others.

Paper money is issued to a limited extent.

German East Africa.—The possessions of Germany in this part of the world use the rupee, divided, as in Mauritius, into pesas or cents.

Germany has coined 781,000 rupees in silver pieces of 2, 1, ½ and ¼ rupees, and of copper pesa-pieces about 41,000,000 for the company.

AMERICA—OTHER THAN THE UNITED STATES.

CANADA — NEWFOUNDLAND — BRITISH WEST INDIES — SPANISH WEST INDIES—HAITI—SAN DOMINGO—MEXICO—CENTRAL AMERICA—BRAZIL—CHILE—ARGENTINE REPUBLIC—PERU — BOLIVIA — ECUADOR — COLOMBIA—VENEZUELA—THE GUIANAS—OTHER MINOR DIVISIONS.

CANADA.

(Dollar=100 cents.)

As has been stated before (page 10), the Dominion of Canada has no gold coinage—the eagle of the United States ($10) and the sovereign are both legal tender to all amounts. The subsidiary coinage is supplied by the British mint.

As the country belonged to France up to 1763, French and Spanish coin circulated freely for quite a while after the cession. Various acts of Parliament, as well as local laws, fixed a valuation on these pieces, at which they were accepted in money transactions. The many changes to which some of the coins were subjected led to a very confused system of currency, until finally the law of 1853 (Canadian) provided that dollars and cents and pounds, shillings and pence were to be the only moneys of account. This was finally (by 1871) amended for all the provinces, so that the single-gold standard became general; the gold coins of the United States and of Great Britain were made legal tenders, the latter at $4.86⅔; silver coins were made a tender to $10 only, and minor coin to 25 cents only. Gold coins of the United States are used exclusively except in Halifax; but the usual medium is really paper, with silver for small change.

Although a Canadian gold coinage is provided for in the law of 1871, no such pieces have ever been coined.

The silver pieces are of the denominations of 50, 25, 10 and 5 cents and the copper piece of 1 cent is the only minor coin. The largest silver piece weighs 11.62 grammes or 179.32 grains, and is 925 thousandths fine; worth, therefore, 44.6 cents at the coining rate of the United States. The smaller pieces are in proportion. Formerly the silver coins were the 20, 10 and 5-cent pieces.

The total subsidiary coinage has amounted to $6,229,110.

No statement of the minor coinage is at hand.

The experience of Canada illustrates the futility of the attempts made for so many years by the British Government to induce the people of the colonies to adopt the monetary system of the mother country. The trade relations with the

United States, in this instance, were too powerful to permit the introduction of a standard or unit which would compel a constant computation of values and, perhaps, impose fluctuations in exchange upon those relations.

Paper Currency.

Dominion Notes.

Canada issues Government notes—called "Dominion notes," first authorized under the law of the local Parliament of 1866. The authority was limited to $5,000,000 "on general account" and $3,000,000 to replace notes of banks surrendering their power of issue; these banks were offered an inducement of 5 per cent. on their circulation to surrender it. The Bank of Montreal was the only one which agreed to do so, and it afterwards resumed note issues (see *post*). It was provided that 20 per cent. of the notes issued be covered by specie reserve, the remainder by Dominion bonds.

In 1868 the issue was enlarged by law, provided that any amount in excess of $5,000,000 be covered by 25 per cent. in specie; the balance, of course, by bonds.

In 1870 the issue was fixed at $9,000,000 upon a 20 per cent. specie reserve, any excess to be fully covered by specie. The demand for paper currency grew, however, and in 1872 the last-mentioned proviso was relaxed to the extent that issues in excess of $9,000,000 be covered by specie to the extent of 35 per cent; in 1875 50 per cent. specie reserve was required for the amount beyond $9,000,000 and not above $12,000,000, the excess beyond the last-mentioned sum to be fully covered. In 1880 the present law was passed; it authorized the issue of $20,000,000 to be covered by at least 15 per cent. in gold, 10 per cent. additional in gold or Dominion bonds guaranteed by Great Britain, and the remainder in ordinary Dominion bonds; any excess above $20,000 000 to be covered fully with gold.

The notes are full legal tender, but are, of course, redeemable in specie on demand. They are issued in denominations of 25 cents, $1, $2, $4, $50, $100, $500 and $1,000; of the old issues, called "Provincial notes," there are still $5, $10 and $20 notes outstanding.

The amount outstanding varies very little; at the beginning of 1892 it was as follows, by denominations:

25 cents	$184,807.60
$1, $2 and $4	7,058,418.25
$50 and upward	8,953,050 00
$5, $10 and $20	10,941.16
Total	$16,206,770.01

The larger notes are held by banks in their reserves.

Against the note issue the Dominion Treasury held:

Gold	$3,532,327
Silver	86,966
Securities	16,196,667
Total	$19,815,960

Showing an unused power of issue equal to over $3,600,000.

Of the gold held, almost all was in United States coin.

Bank-Notes.

A number of banks issued notes prior to the confederation of the provinces into the Dominion in 1867, under local charters.

Under the law of the confederation of 1867, only chartered banks were permitted to issue notes unless specially licensed.

It will be recalled that an attempt was made to substitute Dominion notes for all bank notes, but as only one bank was induced to comply, this law was repealed in 1870.

By the act of 1871 bank notes were not to be issued under the denomination of $4, and at least one-third of the issues were to be secured by Dominion notes; and in 1872 the tax upon circulation of banks coming under the provisions of the act of 1871 was abolished.

The act of 1880 made many changes:

1. All notes were made first liens upon the assets.
2. The lowest denomination was raised to $5.
3. If demanded a creditor must be given at least $50 of Dominion notes in any payment by the banks.

In 1883 the minimum reserve of Dominion notes was increased to 40 per cent., the amount demandable in such notes by creditors from $50 to $60, and penalties were imposed for over-issues of notes or for an impairment of the reserve.

The present bank act dates to 1890, as many of the charters would have expired in 1891.

All banks excepting two are allowed to issue notes to the full extent of their paid-up capital unimpaired; severe penalties are fixed for over-issues; notes to be of $5 (minimum), or any multiple, and any creditor might demand $100 in *small* Dominion notes in any payment. The notes were made a first lien upon assets, and shareholders are doubly liable on their stock. A redemption fund of 5 per cent. of the circulation is deposited in the Treasury and notes are redeemable there; for failure to redeem interest at 6 per cent. is collectible upon the notes. The banks are compelled to keep their notes at par, and thus provide redeeming agencies throughout the Dominion; no specie reserve is required, but the law compelling 40 per cent. of the reserve held to be in Dominion notes remains.

Two banks, whose ancient charters prevent the double liability of shareholders from being applicable, are permitted to issue notes only to the extent of 75 per cent. of their capital. (La Bank du Peuple and the Bank of British North America.) Upon a deposit of cash or bonds of the Dominion they may, however, issue to the full amount of their paid-up capital.

Bank notes are not legal tender.

The issues amount from 30 to 36 millions. At the beginning of 1892 the total was $35,634,129. To cover this the banks may be said to have held of gold $5,480,848, of Dominion notes $10,113,040 and Dominion bonds deposited $843,075.

Of the Canadian banks three have also charters from the Imperial Govern-

ment, and reported to London in 1894, as below. They are the Bank of Montreal, the Bank of British North America and the Bank of British Columbia.

Capital	£5,065,754	Cash	£2,546,972
Surplus	1,782,877	Securities	1,064,954
Circulation	1,475,940	Loans	14,809,523
Deposits	9,715,298	Other resources	303,531

The statement below is inclusive of these figures.

The principal banks of Canada have branches not only in the various parts of the Dominion but also in London, New York and Chicago.

On July 31, 1894, the thirty-nine chartered banks of Canada reported:

Resources.		Liabilities.	
Loans	$217,588,734	Capital	$62,156,255
Securities	22,416,337	Surplus	27,160,750
Bonds deposited to secure circulation	1,821,268	Notes	29,801,772
Specie	7,779,735	Deposits	176,583,465
Dominion notes	15,690,145	Deposits, public	6,470,573
Cash items	6,776,646	Due banks and agencies	8,597,614
Due from banks and agencies	24,482,843	Other	263,224
Other	11,549,820		$311,033,653
Excess liabilities	2,928,125		
	$311,033 653		

Estimated Stock of Money.

Gold	$14,000,000
Subsidiary coin	5,000,000
Uncovered notes	36,000,000

The paper money of the United States circulates quite freely in places near the border.

NEWFOUNDLAND.

This province, probably to its great detriment, has maintained a position of independence of the Canadian Confederation, being under separate government and in direct communication with the Home Government.

To carry its peculiarity into its monetary system, it has provided for a dollar (by act of 1863, March 25) differing considerably from every known piece of that denomination. The unit is not coined, but theoretically it contains 25.682 grains, or 1.664 grammes of gold 916⅔ thousandths fine; it is therefore worth $1.01.4 in United States coin.

The actual coin in use is the $2 piece, weighing double the unit.

The dollar of the United States, the sovereign and the Spanish doubloon are full legal tender for $0.98.5, $4.80 and $15.35 respectively. In 1887 the doubloon was omitted.

The single-gold standard prevails; the silver coins are therefore legal tenders to the amount of $10 only. The silver dollars of the United States and Mexico were for a time recognized, but Newfoundland has now its own silver coins of 50, 25, 10 and 5 cents.

The half dollar weighs 181.81 grains, or 11.782 grammes, and the smaller pieces are exact sub-divisions; all are 925 thousandths fine.

Thus this colony has the coins of the United States in name, but uses the British standards of fineness. This condition grew out of the former prevalence of and preference for the old Spanish milled dollar, which was recoined at 5 shillings, although it was worth somewhat more.

The Imperial mint in London furnishes the coin for Newfoundland; since 1865 there have been struck:

Of $2 pieces	$197,100
50-cent pieces	236,000
25-cent pieces	147,000
10-cent pieces	34,800
5-cent pieces	28,800

The minor coin is the cent, composed of 95 per cent. copper, 4 per cent. tin and 1 per cent. zinc; it weighs 87½ grains, while that of the United States weighs but 48 grains; $15,300 of this coin has been supplied.

Notes are provided by two banks, which in 1892 had a circulation of $1,192,655. Their affairs became very much entangled with the political strife in 1893 and 1894, and they were compelled to close in the latter year. At present it is attempted to provide paper money through Canadian banks, and coin has been brought into the colony from the United States to relieve the great stringency pending reorganization of the currency system.

BRITISH WEST INDIES.

(£=20 shillings @ 12 pence.)

Throughout these island colonies of Great Britain the old Spanish dollars circulated exclusively for many years, followed by the Mexican counterpart in more recent periods. This fact has made the introduction of the British system a long and tedious undertaking. To this day accounts are kept in most of the islands in dollars and cents, although the currency having legal force is British. Gold coins of the United States are accepted everywhere and held by banks in their reserves. The active circulation, however, consists of British subsidiary coin and bank notes.

In the Bahamas the Nassau Bank is empowered to issue paper upon specie or upon British or United States bonds. The Colonial Bank, chartered by Great Britain, having its main office in Jamaica, supplies the lower islands.

For many years the dearth of small coins led to the use of "cut money," larger pieces being cut into fractions and passed; many cases of swindling, by cutting a dollar into five "quarters," for example, developed, and the Government finally prohibited the use of such pieces, and sufficient subsidiary coin was provided. In many of the sections copper and bronze minor pieces were not acceptable to the colored people, who constitute a large portion of the population; nickel pieces were therefore introduced. Moreover the preference of the people for what was called a "bit" led the Government to obtain silver fourpenny pieces, or groats, from the British mint. These "bits" are worth only about

8 cents nominal, unlike the former "bit" of the United States, which was in fact the old Spanish real and equal to 12½ cents.

Great Britain has furnished about £1,000,000 of subsidiary silver, £10,000 of nickel and the same amount of bronze minor coins for the islands.

The Colonial Bank, chartered in 1836 and again in 1856, issues the notes in use throughout the British West Indies and in British Guiana. It has agencies at every important point in these possessions.

Its condition at the end of 1894 was as follows :

Resources.		Liabilities.	
Specie	£356,848	Capital	£600,000
Cash in London	281,699	Surplus	150,000
Securities	826,971	Notes	460,761
Loans, etc	3,449,254	Deposits	1,924,532
Other	25,000	Other	1,804,479
	£4,939,772		£4,939,772

The circulation, aggregating over $2,100,000, is distributed about as follows :

Jamaica	$900,000
British Guiana	300,000
Trinidad	500,000
Barbados	160,000
Others	240,000

CUBA AND PORTO RICO.

These colonial possessions of Spain use the coin and paper money of the mother country, and have therefore the double standard with the peseta, the Spanish equivalent of the franc of the Latin Union, as the unit.

Actually, however, United States gold coin is acceptable. There is an issue of paper money in Cuba, principally of small denominations, with forced circulation, partly withdrawn in 1893. Accounts are still kept in the old peso of 8 reals.

The old Spanish gold quadruple onza of 417.59 grains 875 thousandths fine, equal to $15.73.6, and the Isabella doubloon of 129.538 grains 900 thousandths fine and worth $5.01.7, circulate with the newer gold Alfonso or 25-peseta piece.

It is estimated that the gold in banks and in use amounts to $18,000,000, and the silver to $3,000,000. The uncovered paper may be fixed at $1,000,000, exclusive of the forced divisional paper.

HAITI.

(Gourde=100 cents.)

This "black republic" has always been dominated by French influences, and it is therefore natural that when, in 1880, a monetary system was adopted, that of the Latin Union was the one chosen.

The unit is the gourde, equivalent in every respect to the French 5-franc piece, and coined at the Paris mint. Gold pieces are the 10, 5, 2 and 1 gourde, the latter of 1.613 grammes, 900 thousandths fine ; silver pieces, the gourde of 25

grammes, 900 thousandths fine, and 50, 20, 10 and 5 cent pieces, exact subdivisions in weight of the chief piece, but only 835 thousandths fine. No gold has been coined.

A 5-cent piece of nickel and a 1-cent bronze piece are also provided. The National Bank of Haiti, with a capital of 10,000,000 francs, issues notes to an amount of thrice its metallic reserve.

The principal money of Haiti consists of irredeemable notes and subsidiary and minor coin.

Gold coins of the United States are used, principally to pay customs dues.

It is estimated that $2,000,000 of such gold, $2,900,000 of silver and $4,000,000 in bank notes are in circulation and in the banks.

The Government frequently issues notes arbitrarily; thus in 1892 about $500,000 such notes were in use, but appear to have been retired.

SANTO DOMINGO.

This neighbor of Haiti, formerly a Spanish dependency and overrun with Mexican coins, recently (1894) adopted a new system, with the single-gold standard, and subsidiary silver redeemable in gold.

The unit is the dollar of the United States, and subsidiary pieces are relatively much less valuable.

The Mexican dollar is rated at 50 cents under the new regime.

The former system was practically that of the Latin Union.

Notes of the National Bank circulate.

The monetary stock is very small.

MEXICO.

(Peso = 100 centavos.)

As one of the chief producers of silver in the world, it seems natural that Mexico should continue a single-silver standard country. The ancient Spanish peso of 8 reals practically continues, as in ancient times, to be the unit; although in some respects the law of 1867 modified the subsidiary pieces.

This piece weighs 27.073 grammes or 417.79 grains of the fineness of 972 $\frac{7}{10}$; it is divided into 50, 25, 10 and 5 cent pieces of exact proportions. The coinage charge is 4 $\frac{41}{100}$ per cent., and the ratio is 16.51 to 1.

Gold is also coined, but at the low fineness of 875 thousandths, in pieces of 20, 10, 5, 2½ and 1 pesos, the latter 1.692 grammes or 26.111 grains; therefore worth 98.4 cents.

There are 11 mints in the country; the greater part of the annual coinage is exported, since the peso is the favorite coin in the Orient. Many hundred millions of the Mexican pesos have been melted down.

An idea of the quantity furnished may be derived from the accompanying table of coinage.

Mexico has coined from 1537 to 1893 :

Gold	124,341,596 pesos.
Silver	3,321,339,757 "
Copper	6,906 203 "
Nickel	4,000,000 "
Total	3,456,587,556 pesos.

The silver standard is well maintained, the paper currency being at par. Ten banks issue notes ; the most prominent being the " Mexican National " and the " London and Mexico." The statements of all of these banks at the end of 1894 shows :

(In pesos.)

Resources.		Liabilities.	
Cash	30,425,000	Capital	15,420,000
Loans and discounts	31,076,000	Reserve	6 142,000
Accounts current	20,478,000	Circulation	28,427,000
Other	13,037,000	Accounts current	33,836,000
		Other	11,191,000
	95,016,000		95,016,000

The present stock of money is :

Gold	$5,000,000
Silver	45,000,000
Subsidiary	5,000,000
Total	$55,000,000

CENTRAL AMERICA.

(Peso = 100 centavos.)

These States have fallen into the system prevailing in the vicinity : the single-silver standard with the peso as a unit—not like the Mexican, but like that of the South American States, and therefore akin to the Latin Union's system. The peso is 25 grammes, 385.8 grains of silver 900 thousandths fine ; half and quarter-pesos are of the same relative weight and fineness ; but the 10 and 5 centavo pieces are only 835 thousandths fine.

Gold coins are provided for, but not actually in use ; pieces of the United States are met with not only gold, but silver as well. In fact the mint facilities being poor the coins of other States are used extensively, a local stamp being superimposed to give them currency. Bits or cut coins are also met with.

The gold coins are the onza or doubloon 417.59 grains, .875 fine, value $15.73.6, and the half-onza; 20 peso piece 497.806 grains, .900 fine, value $19.29.5 ; and divisions as in Mexico.

The onza, it should be said, was formerly a piece containing an ounce of gold ; but it has been reduced.

The total circulation of the five States may be summed up as :

Gold	$500,000
Silver	6,000,000
Subsidiary	2,000,000
Uncovered notes	4,000,000
Total	$12,500,000

GUATEMALA.

The coinage in this State is very small in amount. The stock of silver is about 2,000,000 pesos. Three banks have note-issues amounting to 3,000,000 pesos, secured by silver to the extent of 50 per cent.

American gold coin is at a premium of 85 per cent. The resources of the three banks amount to 17,828,037 pesos.

COSTA RICA.

"The Mint, Birmingham," coined in 1889, subsidiary pieces of the value of 256,722 pesos; in 1892, 138,091 pesos.

Two banks do business with a capital of 1,000,000 and 1,500,000 pesos respectively.

SALVADOR.

has recently opened a mint, in private hands.

In 1889 10,000 pesos in nickel 3 centavo-pieces and 4,000 pesos of centavo pieces were coined in Birmingham. The new mint has coined 70,585 pesos of silver and proposes to coin 1,000,000 pesos annually for five years.

There are three incorporated banks with a capital of 3,800,000 pesos and a private bank with a capital of 1,500,000 pesos.

NICARAGUA.

There is very little money in circulation. The Government issues notes to the amount of about 600,000 pesos.

HONDURAS.

This State has coined 743,173 pesos of silver and 1,118 of gold since 1879.

BRITISH HONDURAS.

This colony is the only one of the American dependencies of Great Britain which is on a silver basis, corresponding in this respect with the States of Central America and Mexico.

Notwithstanding the many attempts to introduce the British system, the money of account has for over fifty years remained the dollar of four "maccaronis" or shillings.

The law of 1855 fixed the dollar as the unit in which public accounts were to be kept, rating them at 4 shillings, and the "rial" or "real" at ⅛ of the dollar. In 1864 the real was abolished and cents came into use. Changes in conditions brought about many difficulties in trading and finally, in 1887, the dollar of Guatemala was adopted as the unit; like dollars of South American States were accepted on an equality; fractional pieces were made legal tender up to $50, and bronze cents to the extent of 50 cents.

The bronze cent is the only coin proper of British Honduras. It is furnished from the London mint. No gold or bank notes are used, but it is contemplated issuing Government silver certificates to relieve the people from the weight of coin. The amount of silver in use is estimated at $500,000.

BRAZIL.

(Milreis=1,000 reis.)

This republic adheres to the monetary system of its mother country, Portugal, quite closely, excepting that its unit, the milreis, is only half the value of that of Portugal. The single-gold standard prevails.

The fineness of all coins is 917 (probably 916⅔) thousandths. Gold pieces of 20, 10 and 5 milreis, and subsidiary silver pieces of 2, 1 and ½ milreis are provided for. The gold 10 milreis weighs 8.964 grammes, or 138.347 grains, and is worth $5.46.2, or 54.6 cents to the unit. The silver milreis weighs 12.750 grammes, or 196.758 grains, and is equal to about 50 cents.

The circulation of the country consists of paper almost exclusively, both Government and bank notes. The amount is about 570,000,000 milreis. The Bank of the Republic of Brazil, with a capital of 190,000,000 milreis, shares the function of issuing paper with the Treasury. Gold commands a very high premium.

Minor coin of nickel 200 and 100 reis and of bronze 40 reis are largely coined. In 1891 alone over 4,000,000 pieces were struck.

Banking is to a considerable extent in foreign hands. Of the principal banks of this class the London and Brazilian Bank furnishes the following report:

Resources.		Liabilities.	
Cash	£3,990,388	Capital	£750,000
Loans	6,244,713	Reserve	500,000
Other	109,664	Profits	298,908
		Deposits and accounts	8,795,857
	£10,344,765		£10,344,765

The coinage of Brazil since 1703 has been:

Gold	280,000,000 milreis.
Silver	44,000,000 "

The stock of money is estimated at:

Gold	14,000,000 milreis.
Subsidiary silver	12,000,000 "
Uncovered notes	550,000,000 "
Total	576,000,000 milreis.

URUGUAY.

(Peso=100 centavos.)

This country adopted her present system of money in 1863, but coined no pieces until 1887, when the Paris mint coined some silver for it to the amount of 1,000,000 pesos. The single-gold standard prevails.

In 1893 the Chilian mint also coined for Uruguay 1,000,000 pesos of silver

The peso of gold is fixed at 1.697 grammes, with a fineness of 917 thousandths (derived from Portugal through Brazil); its value is therefore $1.03.4. The silver peso is of 25 grammes 900 thousandths fine, therefore equal to the French 5-franc piece. Smaller coins are exact subdivisions, and of denominations of 50, 20 and 10 centesimos.

Actually many American, the British and some other European gold coins circulate freely, but gold has been at a premium for several years, the expansion from Argentina having seriously affected the former stability of Uruguay.

Government notes were formerly issued, but have all been retired.

Notes are issued by two British, one local, one Spanish and two Italian banks

Of these we have a report of the London and River Plate Bank for 1894, as follows:

Resources.		Liabilities.	
Cash	£5,219,477	Capital	£900,000
Loans	10,549,865	Reserve	800,000
Other	155,421	Notes	570,000
		Deposits and accounts	13,495,826
		Other	158,740
	£15,924,763		£15,924,763

This bank also does business in the Argentine Republic and in Paraguay and Brazil.

The estimated stock of money is:

Gold	$4,000,000
Subsidiary coin	1,000,000
Uncovered notes	9,000,000
Total	$14,000,000

PARAGUAY.

(Peso = 8 reals.)

This interior state of South America has nominally a double standard, but is actually under a depreciated paper system.

All sorts of coins circulate when they can be obtained. It is estimated that there is less than $900,000 of money at coin value in the country.

Notes are issued by the National Bank of the River Plate, and by the Government; in the aggregate there is about 7,300,000 pesos of paper in use besides the Brazilian notes, which circulate freely.

Gold has been quoted as high as 660.

ARGENTINE REPUBLIC.

(Peso = 100 centavos.)

After a disastrous experience with depreciated currency Argentina adopted a system in 1881, modeled upon that of the Latin Union, supplanting the old peso of 8 reals.

The peso was made the exact equivalent of the 5-franc piece, 25 grammes or 385.8 grains, 900 thousandths fine, with a gold peso (theoretic) of 1.613 grammes, or 24.89 grains, 900 thousandths fine, equal to 96.4 cents. The gold pieces actually coined are the Argentino and ½ Argentino, 5 and 2½ pesos respectively. Subsidiary silver pieces are 50, 20, 10 and 5 centavos; they are exact subdivisions of the peso, therefore unlike the subsidiary pieces of the Latin Union, which are but

835 thousandths fine; nor is the country fully double standard since silver is legal tender only to the extent of $10.

Gold has for a number of years been at a premium, reaching at times a quotation of 300. Depreciated paper now reaching fully 300,000,000 pesos, supplemented only by small coin, performs the function of circulation.

The following statements of the paper issues are of date late in 1894:

Government issues	85,000,000 pesos.
Bank issues	215,000,000 "

Of which all is uncovered excepting:

Government notes secured by bonds	73,000,000 pesos
Bank " " " "	37,000,000 "
Say	110,000,000 pesos

Of this amount 36,000,000 pesos are of denominations of 2 pesos or under.

The Banco Nacional is reported to have a capital of 50,000,000 pesos, deposits of 40,000,000 and discounts of 50,000,000; coin, 570,000. It has 51 branches.

Incorporated banks to the number of 14 and private banks, 38 in number, report:

Capital	102,800,000 pesos.
Deposits	87,400,000 "
Profits	5,500,000 "
Notes	90,000,000 "
Cash	26,100,000 "
Discounts	121,300,000 "

Mortgage banks issue so-called cedulas, which circulate to the extent of 365,000,000 pesos.

CHILE.

(Peso = 100 centavos.)

Although Chile has determined to adopt the single-gold standard in 1896, she must still be classed as a double standard country.

The unit, as is generally the case in Spanish South America, is the peso; instead of dividing it into 8 reals it now has 100 centavos.

Gold coins are the condor (10 pesos), doblon (5 pesos), escudo (2 pesos). The gold peso weighs 1 525 grammes, or 23.538 grains, and is 900 thousandths fine, therefore worth 91.2 cents.

The silver peso is of 25 grammes, 900 thousandths fine, therefore the equivalent of the 5-franc piece. Subsidiary pieces are in exact proportions both as to weight and fineness.

The law of 1892 proposing the single-gold standard provides for a gold coinage with 1.5976 grammes of 916⅔ fineness, and subsidiary silver of 100, 20, 10 and 5 centavos, 835 thousandths fine, thus combining the British and French systems. The legal tender limit of silver is to be 20 pesos.

This sounds very well, but actually Chile, like most South American states, is on a depreciated paper basis, gold having been quoted as high as 290, and the

subsidiary silver has been debased to a fineness of 500 thousandths. Notes are issued by the Government to the extent of 30,000,000 pesos, and by banks to the amount of 17,000,000 pesos.

The Government has probably 10,000,000 pesos in coin preparatory to resumption in 1896, when notes shall cease to be a legal tender.

About 6,000,000 pesos of the debased subsidiary coin has been issued and is in use; probably 1,500,000 pesos of the full legal tender silver (1-peso pieces) is also in use.

Chile has coined since 1772:

Gold	66,000,000 pesos.
And silver	39,000,000 "

PERU.

(Sol = 10 dineros @ 10 centavos.)

The single-silver standard prevails in Peru with the sol, equivalent to the 5-franc piece, as the unit. Subsidiary silver is coined in proportionate weights and of a fineness of 900 thousandths, unlike the French.

Gold is also coined on the exact basis of the Latin Union; but in small amounts only. The denominations are 20, 10, 5, 2 and 1 sols.

Silver coins are the sol, ½ sol, ⅕ sol, dinero or tenth, and half-dinero.

Copper coins of the denominations of 2 and 1 centavo, to the amount of 300,000 sols, are provided for, and are legal tender to the amount of 5 centavos.

For many years Peru was under a greatly depreciated paper system; but recently silver has been reintroduced; all paper having been practically repudiated after the war with Chile.

The silver coinage of Peru since 1874 has aggregated 28 million sols, but the greater amount has been exported.

Peru and Bolivia produce and have for several hundred years mined vast quantities of silver; the Peruvian mint has been in existence since 1565; but most of its product has been sent abroad. No record exists of the coinage; but it is estimated that 6,000,000 pesos per annum, for 300 years, is the average; this would mean fully 1,800,000,000 pesos; and since the Peruvian institution was regarded as second only to the Mexican, this amount is probably not far from the truth.

BOLIVIA.

(Boliviano = 100 centavos.)

The silver standard prevails. The unit is the boliviano of 25 grammes, 900 thousandths fine, equal to the 5-franc piece. Subsidiary pieces are of proportionate weights and of the same fineness, in 50, 20, 10 and 5 centavos pieces.

Actually, however, the unit is not in use, and the 20 centavo piece has become the unit.

Theoretically, Bolivia coins gold on the basis of the Latin Union, the onza

(25 grammes, value 15 bolivianos), and its divisions, being provided for. Actually there is no coinage or circulation of gold.

The Bank of Bolivia and that of Potosi issue notes fairly protected by silver coin in which they are redeemable. They report :

Capital	4,148,000 bolivianos.
Specie	780,000 "
Circulation	1,000,000 "
Balances	5,000,000 "

Bolivia has had coined in Paris 1,000,000 pieces of 10 centavos and 2,000,000 pieces of 5 centavos, in nickel.

ECUADOR.

(Sucré = 100 centaves.

Ecuador, like her neighbors, has the single-silver standard. The unit is called the sucré, and it as well as the divisional coins are modeled after the pieces of the Latin Union, except that subsidiary pieces are 900 instead of 835 thousandths fine.

Until 1884 coins of Peru and adjacent States circulated ; since then there has been a national coinage although there is no mint. The pieces have been struck in Birmingham ; the value of the coinage was 1,835,000 sucrés.

In fact, however, depreciated paper circulates ; notes are issued by three banks which are nominally required to keep one-third of the issues in specie. The amount of circulation is 3,500,000 sucrés.

These banks report :

Capital	3,040,000 sucrés.
Loans to the State	2 046,000 "
Cash	2,000,000 "
Total resources	9,959,591 "

Minor coin of nickel 5, 1 and ½ centavos pieces, and of bronze 2 and 1 centavos pieces, are used.

COLOMBIA.

(Peso = 100 centavos.)

The single-silver standard prevails and the coinage is based upon that of the Latin Union in every particular, except that the unit is the equivalent of 5 units of the Union. Actually the country is now on a paper basis, with "forced circulation."

The larger unit here and elsewhere in South America having been adopted to facilitate the change from the old Spanish system of the peso of 8 reals.

Colombia has three mints which have coined since 1753, of gold 166,000,000 pesos, of silver 18,000,000 pesos.

The gold condor formerly found here was a piece of 248.903 grains 900 thousandths fine, and worth $9.64.7.

Colombia has found it profitable to have its small coins struck in Birmingham ; 2,378,272 pesos have thus been coined, besides a home coinage of 3,364,407 pesos of debased subsidiary coin only 500 thousandths fine, recently substituted for the former coinage at 835 thousandths.

The bank-note issues of the country, for which the Government is partly responsible, amount to about 16,000,000 pesos. The banks hold 3,000,000 of coin, almost all silver.

The nickel coinage of about 3,120,000 pesos and the debased silver coinage of 2,839,474 pesos, are in use; thus making the available circulation about 25,000,000 pesos.

A reform in the currency is seriously proposed, including the retirement of the present paper issues.

VENEZUELA.

(Bolivar = 20 centavos.)

This State has the double standard except that its largest silver coin is no full legal tender beyond $100. In other respects the system is that of the Latin Union, the bolivar being equal to the franc. The Venezolano is the counterpart of the 5-franc piece and takes the place of the peso.

Divisional coins are called centavos, just as in the other Spanish South American States; the piece of 4 centavos being a fifth bolivar. The system is somewhat defective in this respect.

There is no mint in Venezuela, but considerable gold is produced. The United States and Belgium have coined for her.

It is estimated that 90,000,000 bolivars of gold and 14,000,000 bolivars of silver are in the country; the former is probably exaggerated Two banks have the power to issue notes, but only about 6,000,000 bolivars are in use.

Three banks chartered in England do business in South American states; the Bank of Tarapaca and London, the British Bank of South America and the London Bank of Mexico and South America. They report for 1894:

Resources.		Liabilities.	
Cash	£1,144,659	Capital	£1,400,000
Loans	5,917,776	Reserves	500,000
Securities	440,999	Deposits	2,314,712
Other	122,585	Other	3,411,307
	£7,626,019		£7,626,019

THE GUIANAS.

The greater part of the territory known by this name formerly belonged to the Dutch, and consequently the ancient guilders and stivers of Holland are even now in use.

That portion ceded to the British in 1814 has gradually been brought under the British system; but accounts, even in Government offices, are kept in dollars and cents.

Silver was excluded as full debt-paying money in the British section in 1876.

The Government found it advisable, however, to provide a 4-penny piece of silver to replace the former "bit."

No gold actually circulates, but there is about $720,000 of subsidiary coin and $30,000 of minor coin.

Notes of the Colonial Bank, $300,000, and of the British Guiana Bank, $380,000, circulate freely.

Dutch Guiana continues to use guilders and stivers, the latter equal to about ¼ of a cent, the former 40 cents.

French Guiana uses the French system, but the trade being insignificant, there is not a large stock of money.

OTHER DIVISIONS.

Guadeloupe and Martinique.—These two West India islands belong to France and have the French system of money, with the franc as the unit. Gold is not in general use. A bank in Guadeloupe issues notes in denominations of 5, 25, 100 and 500 francs, to the amount of about 5,500,000 francs, holding about two-fifths in specie.

St. Pierre and Miquelon, near Newfoundland, are also French.

The Falkland Islands, off the coast of Argentina, belong to Great Britian. The population, of about 5,000 souls, uses about $25,000 of British subsidiary and minor coin.

St. Thomas and Santa Cruz in the West Indies, and Greenland and Iceland in the Polar regions, use Danish money.

Curaçao is a Dutch colony and uses guilders.

OCEANICA.

Australasia — Dutch East Indies — Spanish East Indies — Hawaii—Other Minor Divisions.

AUSTRALASIA.

(£ = 20 shillings @ 12 pence.)

This section of the world embraces Australia, New Zealand and Tasmania. Australia includes Victoria, Queensland, New South Wales, South Australia, West Australia and North Australia.

The British system of coinage is in full force, the two mints of the colonies, at Sydney and Melbourne, being under the immediate supervision of the Master of the Imperial mint in London.

Prior to the act of Parliament of 1854, dollars, rupees, guilders, pesos and other pieces circulated side by side with the British coins; this act, however, declared only the sovereign of the Royal mint and of the branch mint then established at Sydney, to be legal tender for all purposes. This mint has also coined subsidiary and minor coin since 1868. The former is legal tender to 40 shillings, the latter to one shilling.

The mint at Melbourne was established in 1872, but for gold coinage only.

The other portions of Australasia are furnished with coin directly from London or from these mints.

As might be expected, a very large portion of the gold produced by Australia has found its way to England.

From 1855 to 1889 the Sidney mint struck £61,718,000 of gold.

The Melbourne mint from 1872 to 1889 £40,681,400 of gold.

Both, £102,399,400 of gold.

From 1874 to 1889 Australian gold coin was received by the Bank of England to the amount of £36,958,000; prior to 1874 it is estimated that £22,000,000 were so received. This is not, however, a fair index to an estimate of the amount of coin in those colonies; for it is stated that the product of the mines of Australia to 1892 amounted to about £358,000,000, of which £307,500,000 was exported; which would leave them about £50,500,000 at the end of 1892.

The Sydney mint coined from 1855 to 1892 £70,036,000 gold, and that at Melbourne £49,671,029.

The silver coinage of the Sydney mint from 1868 to 1889 was £361,175.

No silver has been coined since 1889. Minor coin was issued to the amount of £32,560.

The Imperial mint furnished the Australasian colonies with £65,000 of minor

coin since 1874, and with £1,812,000 of subsidiary silver, withdrawing from circulation thence £377,000 of worn pieces.

Notes are issued by seventeen banks and their branches, chartered by the Home Government. There are, however, a number of locally chartered banks, under a law of 1840. They are authorized to issue to the extent of their capital, subject to a 2 per cent. tax.

New South Wales has a special banking law, requiring at least £125,000 paid up capital, and note issues must be made a first lien upon the assets.

Following are items from the statements of banks in 1892:

	Assets.	Coin and Bullion.	Notes.
Victoria	£60,627,000	£8,287,000	£1,208,000
New South Wales	53,318,000	5,313,000	1,439,000
Queensland	20,552,000	2,082,000	575,000
South Australia	9,691,000	970,000	400,000
West Australia	2,838,000	380,000	89,000
New Zealand	17,558,000	2,400,000	960,000
Total	£164,584,000	£19,432,000	£4,671,000

Tasmania has banks with a note issue of about £150,000 and coin on hand, £715,000.

It will be seen that the notes are covered by coin, in this case always gold, fully thrice.

In New Zealand attempts were made prior to 1856 to maintain a Colonial Bank of issue under local Government auspices. It proved unsatisfactory, however.

The existing banks are required to furnish frequent (in most cases weekly) reports.

A statement of the general condition of sixteen of the banks chartered by and reporting to the Home Government in London, for 1894, follows:

Capital	£17,692,497	Cash	£27,209,275
Surplus	4,384,395	Securities	5,072,596
Circulation	3,706,400	Loans	121,968,833
Deposits	120,993,531	Other resources	7,422,834
		Total resources	£161,673,538
		Or say	$800,000,000

During the recent troubles in Australia, largely due to a too free loaning of money upon real estate, many of the banks lost their surplus and some were entirely wiped out.

The estimated stock of money is:

Gold	£31,000,000
Subsidiary coin	1,400,000
Minor	60,000
Uncovered notes	none.
	£32,460,000

DUTCH EAST INDIES.

Java, Sumatra, Etc.

(Florin=100 cents.)

The monetary system of the Netherlands prevails in all of the Dutch possessions now remaining in the East Indies.

Coin has been furnished from the mints of the Home Government to the extent of 21,340,000 florins, and as much as that is in circulation and in banks. Minor coin to the amount of 8,200,000 florins is in use.

Notes are issued by the Bank of Java, organized in 1828 with a capital of 6,000,000 guilders (or florins). Its circulation amounts to 45,500,000 guilders; two-fifths of the notes must be covered by specie in the vaults.

PHILLIPINE ISLANDS AND ADJACENT SPANISH POSSESSIONS.

Here the ancient Spanish monetary system still holds sway, although shorn of much of its power by the preference given in modern days to the Mexican silver dollar.

The double standard is supposed to exist, with a gold dollar at 1.631 grammes, 875 thousandths fine, and worth $0.98.4; a silver dollar of 25.96 grammes, 900 thousandths fine, and worth at our coining rate $0.93.4; subsidiary pieces of exact proportions.

Minor coins are also furnished from Spain.

A local bank issues notes fully covered.

OTHER DIVISIONS.

The Fiji Islands have recently come under British rule, and the British system has been introduced. About $85,000 in subsidiary silver has been supplied, and there is probably other coin in the islands amounting to $250,000. Small amounts of notes issued by the Bank of New Zealand and the Union Bank of Australia circulate.

New Guinea is provided with the little money she needs by the adjacent British colony of Queensland, thus introducing the British system, in that section of the island, and Java supplies the Dutch settlements.

Borneo. The northern portion of this island is in control of the British, but independent in a sense. Its monetary system is similar to that of the United States, as far as it goes; the chief medium of circulation consists of 3,200,000 bronze cents and half-cents, recently made; silver pieces of small denomination are also used, and there is a note issue of about $100,000 in 1, 5, 10 and 25 dollar notes.

In addition the British Company of North Borneo has had 9,000,000 cents made for use here.

The Dutch portion of the island is under the supervision of Java.

Hawaii. The coinage of these islands is exactly like that of the United

States. The only native pieces are silver dollars and subsidiary coins struck at the San Francisco mint in 1884.

Money of the United States is generally accepted, and its gold coins are legal tender to any amount ; silver coins to the amount of $10. Coin certificates issued by the Government have a limited circulation.

Samoa. The coins of the United States are by ordinance made current, but English and German coins are also used.

Other islands in the Pacific Ocean use very little money, and then chiefly the smaller pieces of the country which for the time has control of their commerce.

UNITED STATES OF AMERICA.

A Special Study of the Volume of the Money of the United States.

The statistics relating to the volume of the currency of the United States are, for the purposes of such a comparison as is herein proposed, sufficiently accurate, excepting only the estimates of the gold in the country.

A table is first given showing the estimated circulation from 1800 to 1861, and another covering from 1862 to 1872.

Table Showing the Money in the United States, the Amount in Use, the Population and the Amount in Use Per Capita (in Millions) 1800–1861.

Year.	Specie.	State-Bank Notes.	Total.	Specie in Treasury.	In Circulation.	Population.	Per Capita.
1800	17	11	28	2	26	5^{3}	$4.99
1810	30	28	58	3	55	7^{2}	7.60
1820	24	45	69	2	67	9^{6}	6.96
1830	32	61	93	6	87	12^{8}	6.69
1831	32	77	109	6	103	13^{2}	7.04
1832	30	91	121	4	117	13^{6}	8.64
1833	31	91	122	2	120	14	8.60
1834	41	95	136	12	124	14^{4}	8.64
1835	51	104	155	9	146	14^{8}	9.86
1836	65	140	205	5	200	15^{2}	13.17
1837	73	149	222	5	217	15^{6}	13.87
1838	87	116	203	5	198	16^{1}	12 33
1839	87	135	222	2	220	16^{6}	13.26
1840	83	107	190	4	186	17^{1}	10.91
1841	80	107	187	1	186	17^{6}	10.59
1842	80	84	164	..	164	18^{1}	9.02
1843	90	59	149	1	148	18^{7}	7.87
1844	100	75	175	8	168	19^{3}	8.68
1845	96	90	186	8	178	19^{9}	8.95
1846	97	106	203	9	194	20^{5}	9.43
1847	120	105	225	2	223	21^{1}	10.59
1848	112	128	240	8	232	21^{8}	10.66
1849	120	115	235	2	233	22^{5}	10.34
1850	154	131	285	7	278	23^{2}	12.02
1851	186	155	341	11	330	24	13.76
1852	204	172	376	15	361	24^{8}	14:63
1853	236	188	424	22	402	25^{6}	15.80
1854	241	205	446	20	426	26^{4}	16.10
1855	250	187	437	19	418	27^{3}	15.34
1856	250	196	446	20	426	28^{1}	15.16
1857	260	215	475	18	457	28^{9}	15.81
1858	260	155	415	6	409	29^{7}	13.78
1859	250	193	443	4	439	30^{6}	14.35
1860	235	207	442	7	435	31^{4}	13.85
1861	250	202	452	4	448	32^{1}	13.98

In the tables the amounts are given in the nearest million (thus $5,789,000 is stated as 6); slight inaccuracies in making up aggregates will there-

fore necessarily appear here and there; but as they are never in excess of one million dollars, these inaccuracies do not in any material sense affect the value of the comparative tables; and the method employed is by far the most practicable.

Whenever amounts or figures are given otherwise than in millions (or decimals thereof) the specific designation is stated.

Table Showing the Money of the United States, 1862–1872.

(Specie payments suspended December, 1861.)

Fiscal Year.	Specie.	State Bank Notes.	United States Notes.*	National Bank Notes.	Fractional Currency.	Total,	In the Treasury.			In Circulation.	Population.	Per Capita in Circulation.
							Specie.	Paper.	Total.			
1862	35	184	150	..	..	369	† 10	24	34	335	32[7]	$10.23
1863	45	239	391	..	20	695	† 20	79	99	596	33[4]	17.84
1864	44	179	447	31	23	724	19	36	55	669	34	19.67
1865	66	143	431	146	25	810	41	55	96	714	34[7]	20.57
1866	83	20	401	281	27	812	58	81	139	673	35[5]	18.99
1867	139	4	372	299	28	842	114	66	180	662	36[2]	18.28
1868	123	3	356	300	33	815	98	36	134	681	37	18.39
1869	137	3	356	300	32	828	112	51	163	665	37[8]	17.60
1870	134	2	356	300	40	832	109	48	157	675	38[6]	17.50
1871	117	2	356	318	41	834	92	26	118	716	39[6]	18.10
1872	98	2	356	338	41	835	73	24	97	738	40[6]	18.19

* Includes "Old Demand Notes." † Estimated.

A special study follows of the volume since 1873, the year in which the coinage laws were revised, a period of most interesting and important monetary legislation. It includes the entire history of the struggle to use and maintain silver in the currency of the country.

The estimates and reports of the Treasury department are used exclusively, excepting where it is specifically stated otherwise. The first of the tables (A.) gives the entire stock of money, the metallic distinguished from the paper, and the amounts in circulation, as well as the amounts held in the Treasury. Of the latter a large portion is merely on deposit to represent certificates in circulation; that portion belonging to the Treasury, and used in its daily disbursements, is properly a part of the effective stock, fluctuating with the daily revenue receipts and expenditures of the Government, and with the occasional investment of the surplus in the purchase and cancellation of bonds.

The "Money in Circulation" includes that held by banks, which constitutes their reserves; and the "Entire Stock" embraces the moneys on deposit in the Treasury, as well as the certificates issued upon such deposits. This sum is therefore duplicated in the figures showing the aggregate stock.

Obviously, only the money in the Treasury owned by the Government, and that in circulation and in banks, can be deemed *effective circulation.* The amount of this stock is shown in the last column of the table.

A Table Showing the Entire Monetary Stock, its General Character and Location.

(In millions of dollars.)

End of Fiscal Year.*	The Entire Stock.			In Circulation.			In the Treasury.					Total Effective Stock.
	Metal.	Paper.	Total.	Metal.	Paper	Total.	Metal.	Paper.	Total.	On Deposist Only	Belonging to it.	
1873	152	804	956	77	752	829	75	52	127	71	56	885
1874	161	847	1,008	89	761	850	72	86	158	82	76	926
1875	138	837	975	75	735	810	63	102	165	80	85	895
1876	155	784	939	94	692	786	61	92	153	62	91	877
1877	207	778	985	113	677	790	94	101	195	96	99	889
1878	301	763	1,064	151	650	807	150	107	257	93	164	971
1879	363	725	1,088	186	638	824	177	87	264	49	215	1,039
1880	500	725	1,225	300	678	978	200	47	247	35	212	1,190
1881	653	770	1,423	397	722	1,119	256	48	304	69	235	1,354
1882	709	789	1,498	442	736	1,178	267	53	320	85	235	1,413
1883	776	887	1,663	432	804	1,236	343	83	426	184	242	1,478
1884	799	917	1,716	426	816	1,242	373	101	474	231	243	1,485
1885	872	973	1,845	424	866	1,290	448	107	555	310	245	1,535
1886	903	920	1,823	457	792	1,249	446	128	574	265	309	1,558
1887	1,008	902	1,910	480	837	1,317	528	65	593	276	317	1,634
1888	1,092	985	2,077	498	874	1,372	594	111	705	386	319	1,691
1889	1,100	992	2,092	482	898	1,380	618	94	712	434	278	1,658
1890	1,152	1,004	2,156	484	945	1,429	668	59	727	471	256	1,685
1891	1,162	1,054	2,216	524	975	1,499	638	79	717	540	177	1,676
1892	1,232	1,139	2,371	528	1,075	1,603	704	64	768	620	148	1,751
1893	1,207	1,110	2,317	526	1,068	1,594	681	42	723	584	139	1,733
1894	1,251	1,170	2,421	607	1,057	1,664	644	113	757	615	142	1,806

* The fiscal year ends on June 30.

It will be observed that the metallic stock has increased $1,099,000,000—due not only to the acquisition of silver, but in almost as important a degree to the gain in gold. The increase in paper money has been largely confined to the portion in circulation.

The column showing money on deposit in the Treasury indicates that the principal increase has been in paper representatives or certificates, and not in notes. The increase in the effective stock has been over 100 per cent., a larger ratio than is shown by the money in circulation, indicating generally a much better condition of the Treasury. This latter statement must, however, be considered in connection with the fact that since 1879 the Treasury has held about $100,000,000 as a reserve for the redemption of its notes; but even if this be eliminated the Treasury's net cash has, with the exception of the last three years, shown a decided improvement.

The second table (B.) shows the kinds of money constituting the entire stock. Here the increase of the gold stock of the country is shown, having risen from $135,000,000 in 1873 to over $700,000,000 in 1888; diminishing under the influence of European demands in more recent years. (As to over-estimates, see table G.)

The increase in silver dollars and bullion has been continuous since 1878,

B. Table Showing by Kinds the Money Composing the Entire Stock.

(In millions of dollars.)

End of Fiscal Year.	Metallic Stock.				Paper Stock.								Total Stock.
	Gold Coin and Bullion.	Silver Dollars and Bullion.	Subsidiary Silver Coin.	Total.	Gold Certificates.	Silver Certificates.	United States Notes.	Treasury Notes of 1890.	National Bank Notes.	Currency Certificates.	Fractional Currency.	Total.	
1873	135	..	17	152	39	..	356	..	347	32	30	804	956
1874	142	..	19	161	23	..	382	..	352	59	31	847	1,008
1875	110	..	28	138	22	..	376	..	354	58	27	837	975
1876	113	..	42	155	29	..	370	..	333	33	19	784	939
1877	145	..	62	207	41	..	360	..	317	55	5	778	985
1878	213	16	72	301	44	2	347	..	323	47	..	763	1,064
1879	246	41	76	363	15	3	347	..	329	31	..	725	1 088
1880	352	69	79	500	8	12	347	..	344	14	..	725	1,225
1881	478	95	80	653	6	51	347	..	354	12	..	770	1,423
1882	507	122	80	709	5	67	347	..	357	13	..	789	1,498
1883	543	152	81	776	82	89	347	..	356	13	..	887	1,663
1884	545	179	75	799	98	121	347	..	339	12	..	917	1,716
1885	589	208	75	872	140	140	347	..	317	30	..	974	1,846
1886	591	237	75	903	131	116	347	..	308	18	..	920	1.823
1887	655	278	75	1,008	121	146	347	..	279	9	..	902	1,910
1888	706	310	76	1.092	142	229	347	..	252	15	..	985	2,077
1889	680	344	76	1,100	154	263	347	..	211	17	..	992	2,092
1890	695	380	77	1,152	157	302	347	..	186	12	..	1,004	2 156
1891	647	437	78	1,162	152	314	347	50	167	24	..	1,054	2 216
1892	664	491	77	1,232	157	332	347	101	172	30	..	1,139	2,371
1893	592	538	77	1,207	94	331	347	147	179	12	..	1,110	2,317
1894	629	546	76	1,251	66	337	347	153	207	59	..	1,170	2,421

when the acqusition began, as much as $546,000,000 having been added.

Attention is directed to the fact that the reported gold stock of the country increased about in the same proportions as the silver stock during the period ; in 1893 the stock of silver was somewhat in excess of that of gold.

The fractional currency disappears practically by 1876, subsidiary silver coin taking its place.

The marked decrease in National bank notes after 1883, and the extent to which silver certificates have been substituted and have supplied the needs, is clearly illustrated.

The third table (C.) exhibits the amounts of money of all kinds in circulation (including bank holdings). After the period of contraction following upon the passage of the law providing for the resumption of specie payments (1875) the amount of money outside of the Treasury increased steadily until 1886 ; the sharp contraction in that year marks a general period of scanty circulation (to be analyzed hereafter) followed by six years of further increase of the volume, reaching its maximum in 1894.

An examination of the details shows that a very large part of the increase has been due to the addition to the gold stock, which even if the correctness of the

C. Table Showing by Kinds the Money in Circulation.

(In millions of dollars.)

End of Fiscal Year.	Metal.				Paper.								Total in Circulation.
	Gold Coin.	Silver Dollars.	Subsidiary Silver Coin.	Total.	Gold Certificates.	Silver Certificates.	United States Notes.	Treasury Notes of 1890.	National Bank Notes.	Currency Certificates.	Fractional Currency.	Total	
1873	63	..	14	77	34	..	317	..	339	32	30	752	829
1874	74	..	15	89	18	..	313	..	340	59	31	761	850
1875	53	..	22	75	18	..	292	..	340	58	27	735	810
1876	58	..	36	94	25	..	299	..	316	33	19	692	786
1877	56	..	57	113	32	..	284	..	301	55	5	677	790
1878	85	1	65	151	25	..	275	..	310	46	..	656	807
1879	111	8	67	186	15	..	272	..	321	30	..	638	824
1880	226	19	55	300	8	6	313	..	337	14	..	678	978
1881	315	29	53	397	6	39	316	..	349	12	..	722	1,119
1882	358	32	52	442	5	55	312	..	351	13	..	736	1,178
1883	345	35	52	432	60	73	310	..	348	13	..	804	1,236
1884	340	40	46	426	71	96	307	..	330	12	..	816	1,242
1885	342	38	44	424	127	101	302	..	307	30	..	867	1,291
1886	358	53	46	457	76	88	306	..	304	18	..	792	1,249
1887	376	55	49	480	91	142	318	..	277	9	..	837	1,317
1888	392	56	50	498	120	200	294	..	245	15	..	874	1,372
1889	377	54	51	482	117	257	300	..	207	17	..	898	1,380
1890	374	56	54	484	131	297	323	..	182	12	..	945	1,429
1891	408	58	58	524	121	307	324	40	162	21	..	975	1,499
1892	409	57	62	528	141	327	312	98	167	30	..	1,075	1,603
1893	404	57	65	526	93	326	321	141	175	12	..	1,068	1,594
1894	498	51	58	607	66	327	269	135	201	59	..	1,057	1,664

estimates be not admitted, has been large; this is all the more marked when the gold certificates in actual use are treated as gold.

Silver dollars, notwithstanding the free transportation afforded by the Government when they are issued, have not been in great demand, not more than 58,000,000 of the entire coinage having been in use at the end of any fiscal year (although at other periods during several years, a maximum of 64,000,000 and even 67,000,000 has been reached). Silver certificates, however, have performed a very large part of the work of money, having been issued in late years to the full extent of the capacity of the Treasury under the law. This was chiefly due to the issue, after 1886, of the smaller denominations of this medium.

Subsidiary silver, the circulation of which was materially lessened by the displacing effect of the output of silver dollars, has since the issue of the pieces of new design gained in popularity.

The reported metallic circulation appears to have increased more than sevenfold since 1873.

The United States notes have, since the contraction in 1875–78, been fixed in volume; and the amount in use, if considered together with the currency certifi-

cates, has been very near the limit fixed by law throughout the period. National-bank notes have decreased largely, showing only a slight reaction in the last two years from the steady decrease since the maximum year, 1882, when the volume increased under the influence of the issue of cheap Government bonds, which were subsequently redeemed. The increase during the panic of 1893 is fairly kept up.

The most important increase of money during the entire period was from 1891 to 1892, during which year the amount of the addition to the circulation was fully $104,000,000, due largely to the issue of Treasury notes for silver purchases under the law of 1890. As will be shown more distinctly in subsequent pages, this redundant money supply caused the decrease in gold and its representative certificates during the following year, the amount of these forms of money having diminished from $550,000,000 in 1892 to $497,000,000 in 1893; the aggregate circulation was, however, maintained at very nearly the highest point by the further issue of Treasury notes.

Table D., the fourth of the series, shows the money in the Treasury in detail.

D.—Table Showing by Kinds the Money in the Treasury.

(In millions of dollars.)

End of Fiscal Year.	Belonging to the Treasury.											On Deposit Only.				Total in the Treasury.
	Metal.				Paper.											
	Gold Coin and Bullion.	Silver Dollars.	Subsidiary Silver Coin.	Total.	Gold Certificates.	Silver Certificates.	United States Notes.	Treasury Notes of 1890.	National-Bank Notes.	Total.	Total.	Gold for Gold Certificates.	Silver for Silver Certificates and Treasury Notes.	United States Notes for Certificates.	Total.	
1873	33	..	3	36	5	..	7	..	8	20	56	39	..	32	71	127
1874	45	..	4	49	5	..	10	..	12	27	76	23	..	59	82	158
1875	35	..	6	41	4	..	26	..	14	44	85	22	..	58	80	165
1876	26	..	6	32	4	..	38	..	17	59	91	29	..	33	62	153
1877	48	..	5	53	9	..	21	..	16	46	99	41	..	55	96	195
1878	84	13	7	104	19	2	26	..	13	60	164	44	2	47	93	257
1879	120	30	9	159	..	3	45	..	8	56	215	15	3	31	49	264
1880	118	37	24	179	..	7	19	..	7	33	212	8	13	14	35	247
1881	157	15	27	199	..	12	19	..	5	35	235	6	51	12	69	304
1882	143	24	28	195	..	12	22	..	6	40	235	5	67	13	85	320
1883	116	28	28	172	22	16	24	..	8	70	242	82	89	13	184	426
1884	107	20	29	156	27	23	28	..	9	87	243	98	121	12	231	474
1885	106	30	31	167	14	39	15	..	10	78	245	140	140	30	310	555
1886	102	68	29	199	55	28	23	..	4	110	309	131	116	18	265	574
1887	158	76	27	261	30	4	20	..	2	56	317	121	146	9	276	593
1888	172	25	26	223	22	29	38	..	7	96	319	142	229	15	386	705
1889	150	26	25	201	37	6	30	..	4	77	278	154	263	17	434	712
1890	164	23	23	210	26	4	12	..	4	46	256	157	302	12	471	727
1891	87	15	20	122	31	7	1	10	6	55	177	152	364	24	540	717
1892	99	..	15	114	15	5	5	4	5	34	148	157	433	30	620	763
1893	94	3	12	109	1	5	14	6	4	30	139	94	478	12	584	723
1894	65	5	18	88	..	10	19	18	7	54	142	66	490	59	615	757

NOTE.—To ascertain the amount of *free gold* in the Treasury, add amounts in first and fifth columns.

The first section is devoted to the money belonging to the Government, representing practically the surplus in the Treasury at the end of each year. From 1879, however, this surplus includes the $100,000,000 reserve, although this amount was not separately and specifically treated as such reserve in the financial statements until 1885. It will be observed that the year in which this surplus shows the greatest increase, corresponds with the year of the sharp contraction of the money in circulation (1886). The cause of this is not difficult to discover after an examination of the tables.

In the year 1885 the gold in the Treasury not held for certificates was only $6,000,000 above the reserve, and with the gold certificates held ($14,000,000) made the entire stock of available gold only $20,000,000. On the other hand, the silver dollars which could not be put into circulation, had, notwithstanding all efforts to induce their being used, increased to $30,000,000, and the certificates lying useless in the vaults aggregated $39,000,000; and this silver hoard was constantly increasing, threatening to deprive the Treasury of all its free gold; in fact, as will be seen, the silver stock, dollars and certificates, increased to $96,000,000 by the end of 1886. Accordingly bond redemptions, which had kept the surplus at lower figures, were for a time discontinued, and in 1886 the Treasury had added to its gold holdings (including certificates) $37,000,000; moreover, soon after the end of the fiscal year, the issue of $1, $2 and $5 silver certificates was authorized; and after another year the silver stock gradually diminished, and the gold holdings grew larger.

To give the small silver certificates a wider field, the United States notes of the same denominations were withdrawn to a considerable extent (see table E., *post*).

The silver purchase law of 1890 (which, as has been explained on page 31, placed the gold in the Treasury practically at the disposal of holders of the notes issued under authority of that law) enabled exporters of gold to obtain readily the yellow metal to supply demands which arose at about the same time in several European countries. The gold stock of the Treasury, which at the end of the fiscal year 1890 stood at $190,000,000, fell to $118,000,000 in 1891, to $114,000,000 in 1892, to $95,000,000 in 1893 and to $65,000,000 in 1894, a loss of $125,000,000 in four years. The remainder of the gold exported was provided by the banks, which during the same period surrendered $91,000,000 of gold certificates. (See imports and exports of gold, Table K.)

The total metallic money in the Government's possession was highest in 1888, and this was likewise the period of its largest gold holdings. The suspension of the issue of gold certificates in 1879 apparently tended to reduce the gold holdings of the Treasury in the subsequent years, and the reissue of this form of money probably aided in the recovery of considerable gold.

The columns showing Money on Deposit Only in the Treasury, exhibit the gratifying tendency to limit the issue and use of "uncovered" paper money. While most of the European nations showed a marked increase of this form of circulation, the United States has issued no paper, not protected by either gold or silver, since the resumption of specie payments in 1879. The increase of paper

money of Government issue since that date has been $554,000,000, the maximum in 1892 showing $572,000,000. All of this has been "covered."

In this connection the following table showing the relation which the free gold in the Treasury bore to the paper issues, is of special interest. The Government notes in circulation are, strictly speaking, the only direct charge on the free gold; but the other forms of paper, excluding the gold certificates, are, ultimately, indirectly dependent on the same stock.

(Amounts in millions of dollars.)

End of Fiscal Year.	Free Gold in Treasury.	Notes in Circulation.*	Per Cent. of Gold to Notes	All Paper in Circulation.**	Per Cent. of Gold to Paper.
1878	104	321	32.4	631	16.5
1879	120	302	39.7	623	19.4
1880	118	327	36.1	670	17.6
1881	157	328	47.9	716	21.9
1882	143	325	44	731	19.6
1883	138	323	42.5	744	18.5
1884	134	319	42	745	18
1885	120	331	36.6	739	16.2
1886	157	324	48.1	716	21.9
1887	187	327	57.2	746	25.1
1888	194	307	62.8	754	25.7
1889	187	317	59	781	23.9
1890	190	335	56.7	814	23.3
1891	118	385	30.7	854	13.8
1892	114	440	25.9	934	12.2
1893	95	474	17.9	975	9 8
1894	65	463	7 1	991	6.6

* Includes Treasury notes after 1890. ** Includes United States notes, Treasury notes, National Bank notes and silver certificates, but no gold certificates, which are secured by gold in full.

The existence of a surplus of subsidiary silver, heretofore mentioned, is manifested by the very large amounts which the Treasury has been compelled to redeem under the act of 1879; this form of money, not being available for anything but "change," unless specifically demanded, is idle cash in the vaults; only in two years of the period has there been any extensive utilization of this idle fund, which in 1885 only helped to increase the embarrassment of the Treasury, and to this day remains a troublesome asset.

The table marked E. and presented in two parts, shows the denominations of each kind of paper money outstanding at the end of each year, grouping the notes of $1 and $2 together, but separating the $5, $10 and $20 notes; again grouping the $50 and $100 notes, as well as all the notes of $500 and upward.

The smallest denominations of notes appear to have been issued in insufficient quantities excepting perhaps during the first four years of the period and in 1893. The reduction of the volume of ones and twos in 1886, when the issue was confined to the United States notes, was partly due to the desire to enlarge the use of silver dollars; failing in this, the issue of small silver certificates was authorized, and the total disappearance of the smallest issues of National-bank

E1.—Table Showing the Denominations of the Entire Stock of Paper Money,

(In milllons of dollars.)

End of Fiscal Year.	Total Paper.	Currency Certificates.	Paper Excluding Currency Certificates.	Ones and Twos.					Fives.					Tens.				
				Silver Certificates.	United States Notes.	Treasury Notes of 1890.	National Bank Notes.	Total.	Silver Certificates.	United States Notes.	Treasury Notes of 1890.	National Bank Notes.	Total.	Silver Certificates.	United States Notes,	Treasury Notes of 1890.	National Bank Notes.	Total.
1873	804	32	772	..	53	..	9	62	..	46	..	128	174	..	73	..	100	173
1874	847	59	788	..	54	..	9	63	..	50	..	133	183	..	77	..	96	173
1875	837	58	779	..	54	..	7	61	..	45	..	125	170	..	73	..	100	173
1876	784	33	751	..	56	..	6	62	..	46	..	106	152	..	69	..	98	167
1877	778	55	723	..	50	..	6	56	..	49	..	95	144	..	65	..	98	163
1878	763	47	716	..	42	..	7	49	..	55	..	94	149	..	65	..	104	169
1879	725	31	694	..	36	..	7	43	..	54	..	96	150	..	65	..	106	171
1880	725	14	711	..	41	..	4	45	..	65	..	101	166	2	75	..	114	191
1831	770	12	758	..	45	..	3	48	..	69	..	100	169	20	77	..	119	216
1882	789	13	776	..	50	..	2	52	..	67	..	98	165	29	73	..	121	223
1883	887	13	874	..	53	..	1	54	..	71	..	94	165	37	73	..	120	230
1884	917	12	905	..	51	..	1	52	..	76	..	87	163	47	70	..	113	230
1885	973	30	943	..	50	..	1	51	..	76	..	81	157	52	64	..	105	221
1886	920	18	902	..	36	..	..	36	..	86	..	83	169	50	67	..	101	218
1887	902	9	893	23	18	..	..	41	8	95	..	78	181	54	80	..	92	226
1888	985	15	970	45	10	..	..	55	52	81	..	72	205	80	86	..	82	248
1889	992	17	975	48	7	..	..	55	86	58	..	59	203	87	87	..	68	242
1890	1,004	12	992	54	6	..	..	60	102	58	..	52	212	111	90	..	60	261
1891	1,054	24	1,030	48	6	7	..	61	110	58	10	47	225	110	92	17	53	272
1892	1,139	30	1 109	44	7	14	..	65	102	62	23	50	237	111	92	31	54	288
1893	1,110	12	1,098	39	6	26	..	71	94	62	37	51	244	107	91	44	57	299
1894	1,170	59	1,111	38	6	23	..	77	88	53	34	61	236	105	84	41	66	296

E2.—Table Showing the Denominations of the Entire Stock of Paper Money.

(In millions of dollars.)

End of Fiscal Year.	Twenties.						Fifties and Hundreds.						Five Hundreds and Over.					
	Gold Certificates.	Silver Certificates.	United States Notes.	Treasury Notes of 1890.	National Bank Notes.	Total.	Gold Certificates.	Silver Certificates.	United States Notes.	Treasury Notes of 1890.	National Bank Notes.	Total.	Gold Certificates.	Silver Certificates.	United States Notes.	Treasury Notes of 1890.	National Bank Notes.	Total.
1873	..	..	67	..	59	126	1	..	54	..	47	102	38	..	63	..	4	105
1874	..	..	72	..	61	133	1	..	64	..	50	115	22	..	65	..	3	90
1875	..	..	67	..	66	133	1	..	62	..	54	117	21	..	75	..	2	98
1876	..	..	66	..	66	132	1	..	63	..	55	119	28	..	70	..	2	100
1877	..	..	63	..	65	128	1	..	65	..	52	118	40	..	68	..	1	109
1878	..	..	63	..	68	131	1	..	59	..	50	110	43	1	64	..	1	109
1879	..	..	60	..	71	131	1	..	58	..	48	107	15	2	74	..	1	92
1880	..	2	72	..	75	149	..	3	58	..	49	110	8	5	37	..	1	51
1881	..	18	72	..	79	169	..	7	57	..	53	117	5	5	27	..	1	38
1882	..	25	69	..	82	176	..	7	59	..	54	120	5	4	30	..	1	40
1883	9	35	62	..	84	190	18	9	58	..	57	142	55	7	30	..	1	93
1884	13	48	58	..	81	200	18	14	57	..	56	145	67	11	36	..	1	115
1885	12	52	55	..	76	195	20	18	56	..	53	147	108	19	45	..	1	173
1886	12	45	55	..	73	185	19	17	55	..	49	140	100	4	50	..	1	155
1887	11	50	64	..	66	191	16	9	52	..	42	119	94	1	39	..	1	135
1888	13	44	85	..	59	201	24	7	53	..	38	122	105	1	32	..	..	138
1889	11	35	94	..	51	191	20	6	59	..	32	117	123	1	43	..	..	167
1890	12	26	111	..	46	195	21	8	54	..	28	111	124	1	28	..	..	153
1891	14	29	119	3	41	206	21	12	47	7	25	112	117	5	26	6	..	154
1892	12	44	114	11	41	222	18	27	43	10	26	124	127	2	32	11	..	172
1893	9	56	102	20	43	230	13	33	38	8	27	119	72	2	49	12	..	135
1894	7	69	95	20	49	240	10	37	38	13	30	128	49	1	72	22	..	144

notes opened a large field for the certificates. The elimination from the circulation of the United States notes of these denominations has been largely made up by the Treasury note issue since 1891.

The history of the five-dollar notes and, in a lesser degree, of the tens, is very much like that of the ones and twos; silver certificates and Treasury notes having replaced other forms and provided for the additional demand.

On the other hand, the twenties are in a much larger proportion of the United States note issue, gold certificates (of which issue $20 is the smallest denomination) never having been considerable in amount, and the other forms showing a diminution. The supply of this denomination of money has been quite sufficient during almost the entire period.

The fifties and hundreds show the same changes (although in a lesser degree) as are perceptible in the twenties.

Currency certificates are not included with the large paper issues, for the reason that they represent United States notes of all denominations on deposit in the Treasury; these are included under their respective heads since it is not possible to determine accurately how much of each denomination was held on deposit for such certificates, no record having been published. But the amounts of the certificates are not sufficiently large to interfere seriously with the comparisons intended to be made. It may be fairly estimated that one-half the amount of notes held is composed of small denominations; on the other hand, the certificates, if considered as large denominations, would be offset by such denominations in use for purposes other than reserves.

The following table (F.) presents a combination of all the amounts of paper money under $20, and of those under that denomination, with the proportion that each general class bears to the entire issue of paper. The amount of small notes has increased since 1872 by $304,000,000, and from the lowest point (in 1877) by $348,000,000.

The proportion of the entire paper issue in small denominations fluctuated between 79.5 per cent. and 66.1 per cent., with an average of 72.5 per cent. for the entire period.

In view of the fact that, even in 1893, when the proportion of small notes appears to have been nearly 77 per cent., the supply of the smallest denominations was not equal to the demand, it is not an unreasonable conclusion that an average of fully 75 per cent. of our paper issues might be in denominations not exceeding $20. An increase in the demand during the busier seasons and a falling off during the inactive months, are usually to be expected, and the proportion stated would hardly prove excessive.

The chief feature of interest in the portion of the table devoted to the large denominations is the extensive use of gold certificates after the resumption of the issue in 1883, causing a marked increase in the volume of "bank-reserve money." The use of large silver certificates, as will be seen by referring to the preceding table, is almost entirely confined now to the denominations of $50 and $100, since it was found impracticable to keep any considerable amount of the large issues in circulation. The same is true of National-bank notes.

F.—Table Showing the Kinds and Proportions of the Small and of the Large Denominations of Paper Money.

(In millions of dollars.)

End of Fiscal Year.	Small Denominations ($1 to $20).							Large Denominations ($50 to $10,000).							Currency Certificates.
	Gold Certificates.	Silver Certificates.	United States Notes.	Treasury Notes of 1890.	National-Bank Notes.	Total Small.	Per Cent. of Total Paper.	Gold Certificates.	Silver Certificates.	United States Notes.	Treasury Notes of 1890.	National-Bank Notes.	Total Large.	Per Cent. of Total Paper.	
1873	..	..	239	..	296	535	72.1	39	..	117	..	51	207	27.9	32
1874	..	.	253	..	299	552	72.9	23	..	129	..	53	205	27.1	59
1875	..	..	239	..	298	537	71.4	22	..	137	..	56	215	28.6	58
1876	..	..	237	..	276	513	70.0	29	..	133	..	57	219	30.0	33
1877	..	..	227	..	264	491	68.4	41	..	133	..	53	227	31.6	55
1878	..	..	224	..	273	497	69.4	44	1	123	..	51	219	30.6	47
1879	..	..	215	..	280	495	71.3	16	2	132	..	49	199	28.7	31
1880	..	4	253	..	293	550	77.4	8	8	95	..	50	161	22.6	14
1881	..	38	264	..	301	603	79.5	5	12	84	..	54	155	20.5	12
1882	..	54	259	..	303	616	79.4	5	11	89	..	55	160	20.6	13
1883	9	72	260	..	298	639	73.1	73	16	88	..	58	235	26.9	13
1884	13	96	254	..	282	645	71.3	85	25	93	..	57	260	28.7	12
1885	12	104	246	..	262	624	66.1	128	37	101	..	54	320	33.9	30
1886	12	95	243	..	258	608	67.3	119	21	105	..	50	295	32.7	18
1887	11	135	257	..	236	640*	71.6	110	10	91	..	43	254	28.4	9
1888	13	221	262	..	214	710	73 2	129	8	85	..	38	260	26.8	15
1889	11	256	245	..	179	691	70.9	143	7	102	..	32	284	29.1	17
1890	12	293	266	..	157	728	73.4	145	9	82	..	28	264	26.6	12
1891	14	297	274	37	142	764	74.1	138	17	73	13	25	266	25.9	24
1892	12	302	274	79	146	813	73.3	145	29	75	21	26	296	26.7	30
1893	9	296	261	127	151	844	76.9	85	35	87	20	27	254	23.1	12
1894	7	299	238	118	177	839	75.6	59	38	109	35	30	271	24.4	59

* As to discrepancy see p. 128.

The amount of currency certificates in use is repeated in this table, but not included in the statistics of large denominations, since it may be fairly assumed that about 50 per cent. of the amount of the United States notes which they represent are in small denominations, as stated above.

In the table designated G., an estimate is presented of the net stock of effective money. The estimates of the amount of gold in the country are reduced annually by amounts which a still incomplete investigation of the subject has led the writer to believe should, for various reasons, be deducted.

Briefly stated, the grounds for the belief are as follows: The mint bureau estimated the amount of gold in the country in 1873 at $135,000,000; this was predicated upon the existence of a supposed amount in the Treasury and in the National banks, and an estimate of $20,000,000 to $25,000,000 in use in the States of the Pacific slope; $10,000,000 was then deemed a sufficient sum for that in the hands of banks other than National, and of the people. The amount supposed to be in the Treasury at the time was, however, stated incorrectly, causing a reduction of $27,000,000 in the estimate, making this $108,000,000 instead of $135,000,000.

The production of gold during this period of twenty-one years was about $745,000,000; the imports of gold have amounted to about $661,000,000, making a total acquisition of $1,406,000,000; the exports of gold aggregated $742,000,000, leaving a net acquisition of $664,000,000. Adding this to $135,000,000, the original estimate, gives $799,000,000 as the supply of gold; the mint estimates give the amount in the country at the end of the fiscal year 1894 as $629,000,000, which would leave but $170,000,000 consumed in the arts in twenty-one years; or if the reduced estimate of $108,000,000 be used, the consumption in the arts would have been but $143,000,000; either of these amounts is far below the actual figure, and it is much more probable that twice the last-mentioned sum has been so used; but in the estimate herein presented a much smaller sum than this has been (tentatively) deducted from the amount acquired, viz., about $260,000,000, leaving the amount of the total gold stock (coin and bullion) $512,000,000 at the end of 1894.

A revised estimate of the amount of gold outside of the Treasury is thus

G.—Table Showing Approximately the Net Effective Money and the Amounts Per Capita.

End of Fiscal Year.	Total Gold as per Treasury Reports.	Deduct for Over-Estimate.	Revised Estimates.			Money in the Treasury Owned.	Net Effective Stock.	Per Cent. of Effective Stock in Treasury.	Amount Per Capita of				Estimated Population.
			Gold Stock.	Gold in Banks and Circulation.	Total Money in Circulation.				Net Effective Stock.	Net in Treasury.	Net in Circulation.	Net Gold Stock.	
	(In millions of dollars.)								$	$	$	$	
1873	135	27	108	36	802	56	858	6.5	20.57	1.34	19.23	2 59	41 7
1874	142	23	119	51*	827	76	903	8.4	21.09	1.77	19.32	2.78	42.8
1875	110	19	91	34	791	85	876	9.7	19.95	1.93	18 02	2.07	43 9
1876	113	14	99	44	772	91	863	10.6	19.14	2 02	17 12	4.41	45.1
1877	145	10	135	46	780	99	879	11.3	18.98	2.14	16.84	2.91	46.3
1878	213	27	186	58	780	164	944	17 4	19 83	3 44	16 39	3.91	47.6
1879	246	31	215	80	793	215	1 008	21.3	20 61	4.39	16.22	4.39	48.9
1880	352	35	317	191	943	212	1,155	18 3	23.05	4.23	18.82	6.21	50.1
1881	478	41	437	274	1,078	235	1,313	17.8	25.59	4.58	21.01	8.52	51 3
1882	507	46	461	313	1,132	235	1,367	17 2	26 04	4.48	21.56	8.78	52.5
1883	543	60	483	285	1,176	242	1,418	17.0	26.40	4.50	21 90	9.16	53 7
1884	545	64	481	276	1,178	243	1,421	17.1	25.88	4.42	21.46	8.76	54.9
1885	589	70	519	272	1,220	245	1,465	16.7	26.11	4.36	21.75	9.25	56 1
1886	591	72	519	286	1 177	309	1,486	20.8	25 88	5.38	20.50	9.04	57.4
1887	655	84	571	292	1,233	317	1,550	20 2	26.40	5.40	21.00	9.73	58.7
1888	706	91	615	301	1,281	319	1,600	19.9	26.66	5 31	21.35	10.25	60
1889	680	97	583	279	1,283	278	1,561	17.8	25.46	4 53	20.93	9.51	61.3
1890	695	99	596	275	1,330	256	1,586	16.1	25 33	4.09	21.24	9 52	62.6
1891	647	105	542	313	1,394	177	1,571	11.3	24.55	2.77	21.78	8.47	64
1892	664	107	557	301	1,496	148	1,644	9 0	25.10	2 26	22.84	8.50	65.5
1893	592	112	480	292	1,482	139	1,621	8 6	24.19	2.07	22.12	7 16	67
1894	629	117	512	381	1,546	142	1,688	8.4	24.64	2.07	22.57	7.47	68.5

* This seems improbable, but is according to the statistics.

arrived at, and the estimate of the amount of money in circulation is thereby changed. Adding this to the stock of money in the Treasury owned by it, a revised estimate of the effective stock is reached.

The effective stock, it will be observed, shows no decrease after the contraction in the earlier years, until 1889, when extensive gold exports began. These exports, however, were at first met almost entirely by the Treasury through the withdrawal of gold on notes. The amount of money outside of the Government vaults continued to increase, excepting during 1893, while the Treasury funds were reduced to a point lower than they were in 1878.

The proportion of the effective stock in the Treasury rose from 6½ per cent. in 1873 to over 21 per cent. when resumption occurred; in 1886 it again nearly reached the maximum point, receding thereafter and sinking to the low point of 8.4 per cent. in 1894. The effect of legislation, increasing or diminishing the revenues of the Government or its expenditures, is reflected in this column of proportions; and the only means of speedily disposing of a large surplus, thus making the money available for general use at short notice, was the purchase of bonds. In another table (I.) are shown the decrease of the debt, and the years in which bonds were canceled in excess of the sinking fund requirements. These requirements have been from $40,000,000 to $50,000,000 annually.

It now becomes practicable to present estimates of the amounts of money *per capita* of the effective stock, of the amount in the Treasury and of that in circulation, as well as of the gold outside of the Treasury. The estimated population is shown in the last column.

The supply of money available for general use does not show violent fluctuations in the years subsequent to the period of contraction immediately preceding specie payments. The accretion of gold and the utilization of silver soon brought the amount *per capita* up to and beyond that of 1874. The loss of gold, beginning in 1889, reduced the amount from the maximum of $26.60 in the previous year; nor did the issue of Treasury notes in 1891 to 1893 suffice to replace the gold loss which it materially encouraged.

The amount in the Treasury, including, from 1879, the gold reserve, was, for reasons heretofore given, increased in 1886 beyond the normal requirements, causing a sharp decline in the amount in use outside of the Treasury. When the Government's holdings were finally reduced, the current carried the amount in circulation beyond the needs of the banks and the people.

After an examination of the column showing the circulation proper *per capita*, the fact impresses itself on the observer that the needs, including the reserve requirements of banks, are somewhat in excess of $21.50 per head of population. The amounts shown to have been in circulation in 1890 to 1894 were therefore excessive, and had it not been for the abnormal hoarding following the disturbances of 1893, there would have been no necessity for the issue of auxiliary money in the shape of clearing-house certificates. The Treasury stock, which must include the gold necessary for the ultimate redemption fund, should be increased to not less than $3.50 *per capita*, which leads to the conclusion that at least $25 per head should be available for effective circulation in normal periods.

A column is devoted to the gold stock *per capita* according to the revised estimate, to show the fluctuations which have taken place. About $9, or somewhat more than one-third of the effective stock, should be in gold.

The law which operates to displace a superior form of circulation when an inferior form is issued in such volume as to cause a redundancy in the aggregate, is illustrated on more than one occasion, after resumption finally placed all our issues upon an equal footing. In 1883 the amount of circulation *per capita* was very nearly $22, the increase over preceding years having been caused (as shown in the preceding tables) by the large issue of silver certificates during the period when National-bank issues were at their highest; accordingly the gold stock was reduced by forty cents *per capita* by the end of 1884; and although the gold exported in excess of imports during 1884 (see table K.) was recovered in the following year, the continued attempt to force silver into use when no demand for additional circulation existed, caused another outflow of gold in 1886. The same process was repeated in 1888-9, and only the unusually large demand for circulation in the autumn of 1891 prevented its recurrence during the fiscal year 1892, in which year the exports and imports balanced; but in 1893 the full effect of the operation was felt, the loss of gold having been $88,000,000. Only the unusual hoarding of all kinds of money during the summer of that year caused a partial return of the vast sum sent abroad.

The repeal, finally, of the silver law of 1890, under which this large increase of circulation took place, will for the present prevent the further increase of the money stock, and when the amount now provided shall have been absorbed, imports of gold may be expected to supply any deficiency which may result.

To what extent legislation may, by providing other means of increasing the circulation, defeat the natural tendency of gold to flow in this direction, it is of course impossible to foresee.

Table H. presents estimates (made up in part from the Treasury statements and in part from the revised estimates) having in view the determination of the volume of Retail Money, including in this category the small notes, the silver coin actually in use, and the gold coin supposed to be in the hands of individuals, with the amounts *per capita* of each as well as of the aggregates.

For this purpose the amounts of small notes, as given in table F., are first shown, and the fluctuation is more distinctly exhibited by a comparison according to population. The accuracy of this comparison is somewhat affected by the quantity of small notes held in the Treasury, the amount of which cannot be stated; but since these notes are always obtainable for large ones, or for gold, the relative increase or decrease of the *supply* is fairly represented.

The small note circulation, as has been previously stated, is not fully adequate as far as the lower three of the five denominations are concerned. The indicated requirement is about $12 *per capita*, and in some of the years when this amount was not provided, silver coin was apparently drawn in larger quantities. The prevailing objection to this form of circulation is, however, manifested in the column relating thereto, which shows that it has never amounted to $2 *per capita*, and usually is considerably below that figure.

H.—Table Showing Approximately the Supply of Retail Money, and the Amounts Per Capita.

End of Fiscal Year.	Small Notes.		Silver Dollars, Fractional Currency and Subsidiary Silver.		Small Notes and Silver.			Gold Coin.				Small Notes, Silver and Gold Coin.		
	Amount.	Per Capita.	Amount.	Per Capita.	Amount.	Per Capita.	Per Cent. of Net Effective.	Net Circulation.	In Banks.	In Individual Hands.	Amount Per Capita of the Latter.	Amount.	Per Capita.	Per Cent. of Net Effective.
	Millions of dollars.	$	Millions of dollars.	%	Millions of dollars.	$		Millions of dollars.	Millions of dollars.	Millions of dollars.	$	Millions of dollars.	$	
1873	535	12.83	44	1 05	579	13.88	67.5	36	6	30	0.72	609	14.60	70.9
1874	552	12.90	46	1.07	598	13.97	66.3	51	8	43	1 00	641	14.97	71.0
1875	537	12 23	49	1.11	586	13.34	66.9	34	6	28	0.64	614	13.98	70.0
1876	513	11.37	55	1.22	568	12 59	65.8	44	8	36	0.80	604	13.39	70.0
1877	491	10.60	62	1.34	553	11.94	62.9	46	9	37	0.80	590	12 74	67.1
1878	497	10.44	66	1.39	563	11.83	59.6	58	11	47	0.99	610	12.82	64.6
1879	495	10.12	75	1 54	570	11.66	56 5	80	28	52	1.06	622	12.72	61.7
1880	550	10.98	74	1.47	624	12 45	54 0	191	92	99	1.98	723	14.43	62.6
1881	603	11 75	82	1 60	685	13.35	52.2	274	120	154	3.00	839	16.35	63.8
1882	616	11.73	84	1 60	700	13.33	51.2	313	110	203	3.87	903	17.20	66.0
1883	639	11.90	87	1.62	726	13 52	51.2	285	87	198	3.68	924	17 20	65.2
1884	645	11.75	86	1 56	731	13 31	51.4	276	91	185	3.37	916	16.68	64.5
1885	624	11.12	82	1.46	706	12.58	48.2	272	116	156	2.78	862	15.36	58.8
1886	608	10.59	89	1.55	697	12 14	46 9	286	139	147	2 56	844	14.70	56.8
1887	640	10.90	94	1.60	734	12.50	47.3	292	143	149	2.54	883	15.04	56.9
1888	710	11.83	106	1.77	816	13.60	51.0	301	146	155	2 58	971	16 18	60.7
1889	631	11.27	105	1 71	796	12 98	51.0	279	135	144	2.35	940	15.33	60.2
1890	728	11.63	110	1.76	838	13.39	52 9	275	120	155	2 47	993	15 86	62.6
1891	764	11.94	116	1 81	880	13.75	56 0	303	144	159	2.48	1,039	16.23	66.1
1892	813	12.41	119	1.81	932	14.22	56 8	301	158	143	2 18	1,075	16.40	65.4
1893	844	12.59	122	1.82	966	14 41	59.6	292	150	142	2.12	1,108	16.53	68.3
1894	839	12.25	109	1.59	948	13.84	56.1	381	230	151	2.20	1,099	16.05	65.1

The amount of small notes and silver required to perform the functions of retail money is therefore hardly in excess of $14 *per capita*; but considerably more than 50 per cent., and probably 55 per cent., of the effective supply of money should be in these smaller forms.

An estimate is here presented of the amount of gold coin in the banks for the purpose of determining approximately the amount which is in individual hands. The conclusion reached is that the amount *per capita*, since resumption, has fluctuated between $1.06 and $3.87, having been about $2.20 at the close of the fiscal year 1894.

The decline in the amount of small money in use is an indication of the stagnation of business.

Since gold does not, in fact, perform a perceptible portion of the retail-

business transactions in the part of the country east of the Rocky Mountains—constituting, according to recent reports, less than one per cent. of the deposits received by banks—the figures of the column devoted to this form of money appear too large, unless private hoards are considered. Not more than one-third of the amount of gold coin here shown may be allowed for the circulation in States of the Pacific Slope.

Indications are not wanting, however, to show that when the supply of other money for retail purposes is insufficient, gold has been obtained from the Treasury for such use. Moreover, it would seem that during some years the issue of gold certificates has perceptibly diminished the stock of gold in banks as well as that in circulation, to the advantage of the Treasury.

Making due allowance for the service which gold *does* perform (including its use on the Pacific slope) it may be concluded that 60 per cent. of the entire effective money supply is required for retail trade. .

The amount of money therefore which is necessary to carry on the small transactions of daily life, in an effective circulation of say $1,600,000,000 (the average for the past six years) would be about $960,000,000. Of this amount $800,000,000, or an average *per capita* of nearly $12, would be in use practically all the year round; and so long as facilities for the interchange of all forms of money are afforded, it is of no consequence what the form adopted for the retail money may be, provided it be *convenient.*

The amount of silver certificates of the convenient denominations, now in use, is (according to table F.) about $300,000,000; the silver dollars and subsidiary silver amount to $109,000,000, and the small National-bank notes to $177,000,000, a total of $586,000,000. It is therefore entirely practicable to convert the $150,000,000 of Treasury notes into small denominations, withdrawing that amount of United States notes of $10 and under, and issuing larger ones. A further withdrawal of such notes would provide for the conversion of the remaining silver issues into convenient denominations, and thus distribute all of our silver money in such a manner as to remove almost entirely the element of danger with which this portion of our circulation is charged. In other words, the demand for the actual work of making small exchanges will keep the entire silver issue, in addition to the National-bank notes, *circulating*, just as the demand for convenient smaller denominations of money keeps afloat a very large amount of the minor or base coinage, the intrinsic value of which is vastly below its nominal value.

Attention is here again directed to the issue of currency certificates. When the active work of the crop seasons is performed by the small notes, these return to the money centres, and finally to New York, in vast amounts, frequently at the rate of $35,000,000 in a single month. In the case of United States notes the issue of these certificates provides for a convenient method for storing the small denominations in the Treasury offices, and substituting for them the certificates which are entirely in large denominations. Such of the notes as are unfit for circulation are replaced by the Treasury, and when the demand for small denominations returns, the certificates are surrendered. Such a form of certificate should be issued either by the Treasury or the clearing-houses, for any of the

smaller denominations of Government paper money. Since all of the issues are to be maintained at an equality as far as the Treasury is concerned (they are all receivable for Government dues), there is no valid reason why any discrimination in favor of one issue of such money should exist. Moreover, while aiding in the maintenance of the equality, these certificates would help to solve the problem of taking care of the plethora of small notes which is annually caused by the circumstances referred to.

I.—Table Showing the Deposits in Banks, Reserves, Bonded Debt, etc.

(In millions of dollars.)

Year.	Deposits in Banks.			Reserve of 20 Per Cent. Would be.	Cash Held.			Gold in Banks, and Large Notes.†	Deposits in Savings Banks.	Bonded Debt.	
	National Banks, October 1.	State Banks, Various Dates.	Total.		National Banks, October 1.	State Banks, Various Dates.	Total.			Amount.‡	Reduction Annually.
1873	673	111	784	157	133	11	144	162	802	1,710	Period of conversion and funding of debt.
1874	717	144	861	172	144	27	171	160	865	1,740	
1875	732	166	898	180	133	28	161	165	924	1,723	
1876	706	158	864	173	135	29	164	170	941	1,711	
1877	668	227	895	179	123	37	160	183	866	1,712	
1878	677	143	820	164	128	31	159	179	880	1,795	
1879	768	167	935	187	138	39	177	178	802	1,798	
1880	967	209	1,176	235	174	55	229	203	819	1,724	74
1881	1,112	261	1,373	275	173	41	214	221	892	1,640	84
1882	1,119	282	1,401	280	175	42	217	225	967	1,464	176
1883	1,168	335	1,503	301	188	43	231	264	1,025	1,338	126
1884	1,099	325	1,424	285	220	54	274	294	1,073	1,227	111
1885	1,248	344	1,592	318	263	61	324	382	1,095	1,196	31
1886	1,302	343	1,645	329	225	39	264	384	1,141	1,146	50
1887	1,388	448	1,836	367	245	*50	*295	354	1,235	1,022	124
1888	1,544	410	1,954	391	268	*60	*328	368	1,364	951	71
1889	1,655	507	2,162	432	264	*60	*324	387	1,465	830	121
1890	1,759	553	2,312	462	283	*66	*349	356	1,525	725	105
1891	1,759	557	2,316	463	297	*70	*367	385	1,623	611	114
1892	2,022	648	2,670	534	327	*74	*401	428	1,712	585	26
1893	1,814	707	2,521	504	346	*78	*424	377	1,785	585	∞
1894	2,271	658	2,929	586	404	*80	*484	471	1,748	635	∞

* Partly estimated. † Excluding National-bank notes. ‡ Excluding Pacific Railroad Aid Bonds.

In the table designated I. are presented the amounts of the deposits of the discount banks of the country, the amount of cash which would be required to provide a reserve of 20 per cent. of these deposits, the amounts of cash held by these banks and the supply of large denominations of paper available for reserves (excluding National-bank notes), together with the gold-coin in the banks.

In this connection the portion of Table F. showing the large denominations of paper (of which the bank reserves are largely composed) is utilized; a marked change took place during the years 1879-1882, when the issue of gold certificates was suspended, the coin itself being used for reserve purposes.

The first portion of table I. shows the relative increase in the volume of the *commercial circulation* which constitutes fully 90 per cent. of the aggregate of the "tools of exchange" utilized in our extensive internal commerce. Noteworthy points in this succinct review of our banking history are: (1) The increase in aggregate deposits from 1873 to 1879 was only $150,000,000; in the six years immediately after resumption the increase amounted to over $650,000,000, and in the six succeeding years to $1,078,000,000. (2) The growth of deposits in State banks, while amounting to only $547,000,000 in the entire period, was proportionately larger than that of deposits in National banks. (3) The several periods of financial disturbance are clearly marked, viz., 1877-8, 1883-4 and especially 1892-3. (4) In only two of the years enumerated did the cash reserve held equal 20 per cent. of the deposits, viz., 1874 and 1885, years succeeding panics. (It should be borne in mind that most of the National banks are permitted by law to have a portion of their reserves on deposit with their correspondent banks in the so-called "reserve cities.")

The supply of forms of money for reserve purposes has apparently been ample excepting in the years 1874, 1880, 1893 and 1894. During these years small notes were held to a larger extent, and in 1874, 1884, 1890 and 1893 clearing-house certificates were issued as auxiliaries. In each of the years named the insufficiency of reserve moneys was reflected in the gold movement (table K.) checking the tide of exports or causing imports.

In this table are also given, for comparison, the deposits of savings banks for the period under consideration, and the amount and annual reduction of the bonded debt of the United States, exclusive of the $64,000,000 issued in aid of Pacific railroads.

The final table of the series (K.) shows the product and commercial movement of gold and silver for the United States, the price of silver and the commercial ratio to gold each year.

The production of gold and silver is given in the statistics of the Treasury by calendar years, but amounts are here estimated by fiscal years without changing the aggregate. In the twenty-two years the production of gold amounted to $781,000,000, the imports to $671,000,000, and the exports to $788,000,000, involving a transfer of $1,459,000,000, equal to more than one-third of the world's entire stock, with a net result of a loss to the United States of $117,000,000, or but a trifle more than the exports of 1893. In other words, omitting the exports of 1893, the accounts of the United States with other nations, payable in gold during the period of 21 years, were practically balanced, and $1,459,000,000 of specie were sent back and forth at an expense of several millions of dollars to reach that end. Not until the clearing-house system is extended to international transactions, as has been proposed by several writers, will this apparently needless tax upon commerce be saved.

The movement of silver has resulted in the net disposal of $300,000,000 to other nations. Of our product of $1,120,000,000 we have therefore kept for our own use (assuming all of our importations to have been re-exported) the sum of $820,000,000, of which, as was shown in table B., $605,000,000 has gone into circu-

K.—Table Showing the Gold and Silver Movement, etc.

(Amounts in millions of dollars.)

Fiscal Year.	Gold, U. S.					Silver, U. S.					
	Product, U. S.*	Import.	Export.	Excess of		Product, U. S.*	Import.	Export.	Excess of Export.	Average Price.	Commercial Ratio to Gold.
				Import.	Export.						
1873	36	9	45	..	36	32	13	40	27	$1.298	15 92
1874	35	19	34	..	15	37	9	33	24	1.282	16 17
1875	33	14	67	..	53	34	7	25	18	1.250	16.52
1876	37	8	31	..	23	35	8	25	17	1.159	17 94
1877	43	26	26	..	..	39	15	30	15	1.202	17.20
1878	49	13	9	4	..	42	16	24	8	1.152	17.94
1879	45	6	5	1	..	43	14	20	6	1.116	18.55
1880	37	81	4	77	..	40	12	13	1	1.144	18.06
1881	35	100	3	97	..	41	11	17	6	1.135	18.15
1882	34	34	32	2	..	45	8	17	9	1.138	18.19
1883	31	18	12	6	..	46	11	20	9	1.119	18.48
1884	30	23	41	..	18	48	15	26	11	1.115	18.56
1885	32	27	9	18	..	50	17	34	17	1 092	18.92
1886	33	21	43	..	22	51	18	30	12	1 033	20.04
1887	34	43	10	33	..	52	17	26	9	.981	21.02
1888	33	44	18	26	..	56	15	28	13	.956	21.59
1889	33	10	60	..	50	62	19	37	18	.935	22.18
1890	33	13	17	..	4	67	21	35	14	.968	21.33
1891	33	18	86	..	68	73	18	22	4	1 048	19.83
1892	33	50	50	..	..	75	20	33	13	.937	22.07
1893	34	21	109	..	88	75	23	41	18	.843	24.57
1894	38	73	77	..	4	77	20	51	31	.681	30 50
T'l.	781	671	788	264	381	1,120	327	627	300	.....	.....

* Calendar years are converted into fiscal years. † Includes recoinages.

lation ; the remainder (after allowing for depreciated valuation) has been consumed in the arts.

The columns of the table showing the average price per fine ounce of silver bullion and its commercial ratio to gold, make manifest how little the acquisition of silver by the United States has affected the course of the market. A slight increase in price occurred in 1876–7, when the large purchases for subsidiary coinage were made ; but the passage of the law of 1878 and the purchases under it served to enhance the average price by less than three cents, and only for a short period ; and the increased purchases under the law of 1890, added but 8 cents to the average price for one year alone, the rate for the white metal falling lower than ever in 1894, when it was, for a short time, quoted at 62 cents, less than half its price in 1873 when it was almost at the United States parity ($1.29.29).

The amount of paper currency used is so great that a very large force is continually employed in counting and recounting the old and worn notes and certificates, and another force fully as large is employed in preparing new ones. The volume may be approximately measured by the following table :

Redemptions of Paper Currency Each Year Since 1873.

(In millions of dollars).

	United States Notes.	Gold Certificates.	Silver Certificates.	Treasury Notes.	Currency Certificates.	National-Bank Notes.	Total.
1873	64	45	..	..	25	36	170
1874	94	69	..	..	53	50	266
1875	110	71	..	..	81	138	400
1876	97	84	..	..	108	99	388
1877	82	45	..	..	56	77	260
1878	80	47	..	..	94	57	278
1879	64	41	8	..	107	41	261
1880	81	7	..	..	62	35	185
1881	54	2	2	..	20	55	133
1882	79	1	9	..	15	75	179
1883	110	9	12	..	20	83	234
1884	86	25	20	..	28	93	252
1885	84	21	21	..	39	91	256
1886	63	10	28	..	59	60	220
1887	74	10	22	..	37	48	191
1888	64	65	22	..	24	59	234
1889	59	67	41	..	30	52	249
1890	78	45	56	..	28	44	251
1891	71	69	72	2	28	46	288
1892	66	66	93	9	64	44	342
1893	91	77	111	42	61	52	434
1894	91	27	124	46	31	62	381

In the years when a scarcity of currency existed the notes were evidently kept out longer than usual.

The redemption of fragments of notes or certificates, involving a discount equal to the portion missing, has caused a gain of about $214,000, besides $142,000 on fractional paper currency. About one-half of this amount accrued prior to 1878, and on United States notes ; it is therefore not important in this connection, since it was allowed for in fixing the amount of notes outstanding under the law of May 31, 1878, by which it was limited to $346,681,016.

Reference was made, on a preceding page, to the loss of paper currency by total destruction. Undoubtedly large amounts of the smaller notes of the earlier issues, particularly those used to pay troops, have entirely disappeared. This is not, however, true of the larger denominations.

Experience indicates that almost all of the large notes will eventually be presented, since these are naturally subjected to less use, and are held chiefly in reserves ; in some cases the same notes are so held for a long period. The first issue of gold certificates, of which there were very few of the denomination of $20, may properly be considered a fair instance whereby to estimate the probable

destruction of large notes. The issue amounted to $980,000,000, and continued from 1863 to 1878. At the close of 1892 only $262,000 were outstanding, of which $219,000 in notes of $1,000 and over, represented by sixty-six pieces.

The following table shows the amount of United States notes of the issues which preceded the one now in use, remaining unredeemed, and the proportion, to the total issue, of the large and small notes separately. The statement is brought down to the close of the fiscal year 1892.

Issue.	Small.		Large.		Total.		Outstanding, Per Cent.		
	Issued.	Out-standing	Issued.	Out-standing	Issued.	Out-standing	Small.	Large	Total.
1st, 1862–1870	384	6.7	285	0.9	669	7.6	1.7	0.3	1.1
2d, 1869–1877	302	4.9	192	1.9	494	6 8	1.6	1.1	1.4
3d, 1875–1877	36	0 2	52	1.1	88	1.3	0.5	2.1	1.5
4th, 1875–1879.....	144	2.6	47	2.1	191	4.7	1.8	4.5	2.5
5th, 1878–1884.....	113	3.2	127	5.1	240	8.3	2.8	4	3.5
Total.....	979	17.6	703	11.1	1,682	28.7	1.8	1.6	1.7

The destruction of large United States notes can therefore not be regarded as important in amount.

It is otherwise with respect to the small denominations, especially when the large amount of the earlier issues remaining unredeemed (over $11,500,000) is considered. The amount of the annual redemption of these is rapidly diminishing, so that only a fraction of one per cent. of the outstanding is presented each year. The eventual gain therefore from the total disappearance of the small notes may be placed at $8,500,000, an amount somewhat less than one per cent. on the aggregate of these denominations issued prior to 1885.

For the reasons given (the vicissitudes of war, etc.), this cannot be regarded as an indication of the gain on all note issues ; in fact, the statistics of redemptions of notes of National banks that have failed, lead to the belief that the average will barely reach one-half of one per cent.

It is very difficult to estimate the volume of the minor coins in circulation. Reference to the coinage statistics will show that of the pieces now current about $20,000,000 have been coined, leaving about $5,500,000 of other pieces. The latter may be practically eliminated from consideration, very nearly all having been retired. Large amounts of the current issues have also been retired in a worn or defaced condition, and it is roughly estimated that not more than $15,000,000 are now in use. The Treasury held on October 1, 1893, about $889,000, and on January 1, 1893, about $355,000, showing a gain of $534,000. During the same period the coinage amounted to $844,000. A portion of the amount in the Treasury, (probably 20 per cent.) consisted of retired pieces, so that virtually the Treasury was able to float only $410,000 during the nine months.

Supplementary Statement Showing Changes in the Circulation During the Panic From June 30 to September 30, 1893.

Aggregate Figures.	Entire Stock.			In Circulation.			In the Treasury.				
	Total.	Metal.	Paper.	Total.	Metal.	Paper.	Total.	Metal.	Paper	Owned.	On Deposit.
September 30.....	2,404*	1,279	1,126	1,702	607	1 095	702	671	31	132	570
June 30.....	2,317	1,207	1,110	1,594	526	1,068	723	681	42	139	584
Increase (+) or Decrease (—).	+87*	+72	+16	+108	+81	+27	—21	—10	—11	—7	—14

* As to discrepancy see page 128.

Money in Circulation.	Gold Coin.	Silver Dollars.	Subsidiary Coin.	Gold Certificates.	Silver Certificates.	U'td States Notes.*	Treasury Notes.	Nat'l Bank Notes.	Total Less Deduction for Gold.	In Treas., Owned.	Net Effective.	Net Gold Stock.
September 30.....	484	59	64	80	325	340	149	201	1,590	132	1,722	545
June 30.....	404	57	65	93	326	333	141	175	1,482	139	1,621	480
Increase (+) or Decrease (—).	+80	+2	—1	—13	—1	+ 7	+8	+26	+108	—7	+101	+65

* Includes currency certificates.

Details.	Paper Money.		Per Cent. of Small to All Paper.	Small Notes and Silver.	Per Capita.				Gold in Banks.	Gold in Treasury.	Gold in Hands of Individuals.
	Small.	Large.			Of Effective.	In Circulation.	Small Notes.	Small Notes and Silver.			
					$	$	$	$			
September 30.....	885	232	79.2	1,008	25.59	23.62	13.15	14.97	191	173	181
June 30	844	254	76.9	966	24.19	22.12	12.60	14 42	150	188	142
Increase (+) or Decrease (—).	+41	—22	+2.3	+42	+1.40	+1.50	+.55	+.55	+41	—15	+39

The total gain of money during this interesting quarter-year was $87,000,000; but as the Treasury lost $21,000,000, the amount in circulation was increased $108,000,000, $80,000,000 of which was in gold, $1,000,000 in silver and $27,000,000 in paper. An analysis of the increase in paper shows that while United States notes and Treasury notes of 1890 increased $15,000,000, gold and silver certificates decreased $14,000,000, resulting in a net increase of only $1,000,000 in Government issues; but the low price of bonds induced National banks to increase their issues

by $26,000,000. The gain in gold was derived from imports in excess of exports ($52,000,000) from the Treasury ($15,000,000) and from the production. Of the increase the banks took $41,000,000, to make good in part their depleted reserves, and $39,000,000 went into active circulation.

The small note issue was increased by $41,000,000, and the large note issue (exclusive of currency certificates) decreased $22,000,000, and the percentage of small notes to all was 79.2, an increase of 2.3 per cent. The amount *per capita* of the effective stock increased $1.40; but the Treasury stock having decreased, the amount in circulation increased $1.50 *per capita*.

The tendency to accumulate money in the banks of New York city at seasons when the inactivity of general business reduces the requirements of trade, is shown by the following statement, giving at various dates the amount of cash held by those banks, the amount required as legal reserve against deposits (25 per cent.), and the excess or deficit of cash compared with the reserve required—all in millions of dollars and tenths

Date, 1893.	Cash Held.	Reserve Required.	Surplus (+) or Deficit (—).
July 1	100.7	99.5	+1.2
August 12	76 5	93	—16.5
September 2	91 9	93.5	—1.6
September 30	121.8	97 7	+24.1
October 28	157 1	108.3	+48.8
November 25	189.7	118.8	+70.9

On August 12 the lowest point was reached, the full effects of the money stringency having been felt; and notwithstanding the heavy importations of gold in August, the cash was short at the beginning of September. A reaction set in, however, and money left its hiding places; finding no immediate employment it took its way to New York, where the increase from September 2 to November 25 amounted to over $98,000,000, or more than 100 per cent., and had not ceased a this latter date.

This inflow of money occurred at a season when it is usually needed for crop movements, and was therefore abnormal; but the volume of this movement, which usually occurs from December to June, is often fully as large.

THE VOLUME OF THE WORLD'S MONEY.

EUROPE—ASIA—OCEANICA—AFRICA—NORTH AMERICA—SOUTH AMERICA—AGGREGATE—BANKING POWER OF THE WORLD.

The statistics of the quantity of money in use in the world are necessarily to a large extent merely estimates ; but in very many cases these estimates have been verified by special examinations and borne out by collateral facts.

The issues of paper money are in most cases readily obtainable, and usually the bank-holdings of specie are also published periodically. It is, therefore, as to the coin among the people, in actual use or in hoards, that doubt exists.

Owing to the constant commercial movement of gold, and to a large extent of the principal silver coins, the mint operations can give no clue. In relation to subsidiary and minor coin which are furnished for local use only, the coinage of the mints furnish quite a satisfactory basis for estimates. The aggregate reported coinage of the precious metals is given as follows, to 1893 :

Gold	$7,988,733,793
Full tender silver	7,606,613,856
Subsidiary silver	866,311,200

Very large portions of these sums have evidently been recoined, since the very highest estimate of the quantity of gold coin, and bullion intended for coinage, in the world, does not exceed $4,150,000,000. Small amounts, relatively, of gold coin have been lost ; larger quantities have been used for industrial purposes ; but aside from the yearly outflow to India, the greater part of this large output of the world's mints has been remelted and recoined.

To as great an extent full legal-tender silver pieces have been recoined; subsidiary coinage to a comparatively much smaller degree.

The table of the world's money first presented relates to the countries of Europe only, and is divided so as to show the single-gold standard countries together, the double standard countries in another group, and separately Russia —now the only single-silver standard country of Europe.

France has the largest circulation per capita, about $42.84 ; next comes Belgium with $27.58, the Netherlands with $25.89, Greece with $25.50 (chiefly depreciated paper); no other countries of Europe have as much as $20 per capita, and only eight of the remainder have over $15 ; all but one of the others under $10.

Referring to the first group it will be observed that Germany, Austria, Hungary, Turkey and Roumania have in fact considerable sums of full legal tender silver in use, and on the other hand Russia possesses the fourth largest stock of gold in Europe.

The countries having relatively the largest amount of uncovered paper are in fact at present struggling with depreciated paper—Portugal, Italy, Greece, Russia and Austria-Hungary.

The Monetary Stock of the World—In Six Tables.

Table I.—Europe.

Single-Gold Countries.	Population.	Gold.	Full Silver.	Subsidiary Silver.	Total Specie.	Bank Notes.	Government Notes.	Total Paper.	Specie Reserves.	Uncovered Paper.	Effective Circulation.	Minor Coin.
Great Britain ...	38 8	607.	..	112.	719.	207.	..	207.	211.	..	719.	9.5
Germany.....	49 4	625.	105	110.	840.	270.	30	300.	262.	38.	878.	14.
Portugal.....	4.7	15.	..	25.	40.	59.	..	59	12.1	46.9	86.9	2 5
Sweden.....	4.8	6.5	..	5.	11.	30.1	..	30.1	12.	18.1	29.1	0.7
Norway.....	2.	7.3	..	2.	9.	14.	..	14.	6.1	7.9	16.9	0.5
Denmark.....	2.2	14.2	..	5.	20.	23.	..	23.	17.4	5.6	25.6	0.7
Turkey.....	*4.8	50.	30	10.	90.	4.2	..	4.2	6.5	..	90.	9.
Austria-Hungary	*43.2	130.	81	40.	251.	205.	138	343.	182.	161.	412.	6
Finland	2.4	5.	..	3.	8.	10.	..	10.	5.1	4.9	12.9	0.3
Roumania	5.8	15.	3	5.	23.	21.5	..	21.5	10.	11.5	34.5	1.5
	158.1	1,475 0	219	317.	2,011.	843.8	168	1,011.8	724.2	293.9	2,304.9	44.7
Double Standard Countries.												
France.....	38.3	863.	653	50.	1,566.	735.8	..	735.8	661.	74 8	1,640.8	13.
Italy	30.5	100.	37	10.	147.	222.3	70	292.3	129.5	162.8	309.8	15.
Belgium	6.2	56.	43	8.	107.	90.	..	90.	26.	64.	171.	4.
Switzerland.....	2 9	18.	8	6.	32.	35.2	..	35.2	19.5	15.7	47.7	1.5
Greece	2.2	1.	..	1.	2.	36.	19	55.	.9	54.1	56.1	2.
Spain	17.5	39 2	141	40.	220.	182.	..	182.	95.	87.	307.	11.
Netherlands.....	4.7	27 5	55	3 5	86.	85.	6	91.	55.3	35.7	121.7	1.
Servia.....	2.2	3	1	1.	5.	5.	..	5.	2 2	2.8	7.8	0.5
Bulgaria.....	4.3	0.8	3	4.	8.	0.3	..	0.3	2.5	..	8.	0.5
Islands, etc.....	0.3	3.5	..	1.	4.5	0 1	..	0.1	0.1	..	4.5	0.1
	109.1	1,112.0	941	124.5	2,177.5	1,391.7	95	1,486.7	992.0	496.9	2,674.4	48.6
Single Silver Standard.												
Russia.....	*97.1	461.	..	60.	521.	783.1	†203	986.1	462.1	524.	1,045.	9.
All Europe..	364.3	3,048.	1,160	501.5	4,709 5	3,018.6	466	3,484.6	2,178.3	1,314.8	6,024.3	102.3

* Asiatic possessions of Turkey and Russia are not included in this column; but the monetary supply is for the entire empire in both cases. † Actually redeemable by the Bank of Russia, however.

The average per capita circulation for Europe is nearly $16; one-half the countries have less; but their population is not as advanced in civilization as that of the other half.

The relatively high per capita supply of money in France is due to the absence of the use of checks; nor are bank notes used as generally as in Great Britain; so that much more coin is actually in use.

Europe, then, with a population of 364,300,000 uses now $6,024,300,000 of money, composed of

Gold	$3,048,000,000
Full tender silver	1,160,000,000
Subsidiary silver	501,500,000
Uncovered paper	1,314,800,000

beside about $100,000,000 of minor coin. The note issues aggregate $3,484,600,000

and the metallic reserves $2,178,300,000. (The variation in the amount of uncovered notes is due to the fact that in Turkey, Bulgaria and Great Britain the metallic holdings exceed the note issues.)

A compartive table showing the specie holdings and circulation of the European banks for 1883 and 1893 is presented :

Europe.—Comparative Table of Note-issues and Reserves, 1883, 1893.

(In millions of dollars.)

Country.	Note-Issues.		Gold.		Silver.		Total Specie.	
	1883.	1893.	1883.	1893.	1883.	1893.	1883.	1893.
Great Britain	186	194	144.	159.	4.	6	148.	165.
France	588	696	184.	342.	200.	252	384.	594.
Germany	259	273	75.	139.	65.	62	140.	201.
Scandinavia	56	66	26.	30.	3.	4	29.	34.
Netherlands	79	85	10.	19.	39.	35	49.	54.
Belgium	68	87	14.	15.	5.	7	19.	22.
Austria	190	204	39.	43.	51.	68	90.	111.
Spain	70	185	5.	40.	13.	35	18.	75.
Portugal	5	57	1.5	3.	0.5	7	2.	10.
Italy	159	241	44.	79.	20.	10	64.	89.
Russia	718	815	140.	304.	2.	3	142.	307.
Switzerland	23	35	8.	15.	5.	3	13.	18.
Greece	19	23	1.5	0.5	..	..	1.5	0.5
Roumania	18	26	7.	12.	..	..	7.	12.
Others	9	15	4.	7.	1.	2	5.	9.
Total	2,447	3,007	703.0	1,207.5	408.5	494	1,111.5	1,701.5

These totals compare as follows with the condition in 1890 and 1894 for all Europe, in millions of dollars :

	1883.	1890.	1893.	1894.
Note-issues	2,447	2,732	3,007	2,993
Gold	703	971	1,207	1,387
Silver	408	425	494	543
Total specie	1,111	1,396	1,701	1,930
Uncovered notes	1,336	1,336	1,306	1,063

The recent acquisition of specie by the banks made it possible to reduce the amount of "uncovered" paper issues materially; prior to this there had been a steady increase in the amount of the fiduciary circulation. This is not without importance in connection with the attempt to induce European nations to rehabilitate silver; since the provision of notes to meet the demands for additional money rendered it unnecessary to have recourse to the white metal.

It will be observed that the enormous accumulation of *gold* in Europe has been largely added to in the past four or five years. In order to point out this more clearly, a statement of the gold holdings of the principal, and of all, European banks is presented:

(In millions of dollars.)

End of	England	France.	Germany.	Russia.	Austria.	All.
1889	89	256	137	270	27	947
1890	117	225	145	339	27	971
1891	112	267	177	325	27	1,112
1892	118	328	158	319	50	1,232
1893	124	339	139	301	43	1,217
1894	163	414	161	304	65	1,388

Here is an increase of $441,000,000; the United States lost during the same period $200,000,000; the remainder came from the Russian and South African mines and from Australia. Many of the European banks lost gold to each other.

Table II.—Asia.

	Population.	Gold.	Full Silver.	Subsidiary Silver.	Total Specie.	Bank Notes.	Government Notes.	Total Paper.	Specie Reserves.	Uncovered Paper.	Effective Stock.	Minor Coin.
Japan	41.1	80	72	16.	168.	171.	16.	187.	101.	86.	254.	11.
China	400.	10*	740	10.	760.	..	..	..	..	..	750.	200.
India	235.	600*	900	50.	1,550.	..	130.	130.	93.	37.	987.	25.
Native States	66.											
Hong Kong†	.8	..	40	30.	70.	10.	..	10.	18.	..	70.	2.
Straits	3.8	..	25	20.	45.	7.	..	7.	8.	..	45.	1.
Ceylon	3.	..	4	2.	6.	..	3.5	3 5	2 5	1.	7.	0.5
French depen'cs	23.5	..	6	10.	16.	4.5	..	4.5	2.	2.5	18.5	3.
Korea	10.5	..	..	1.	1.	..	..	.	..	..	1.	2.
Siam	5.	..	10	14.	24.	1.	..	1.	1.	..	24.	2.
Persia	9.	1	3	0 5	4.5	0.3	..	0.3	0.9	..	4.5	2.
	787.7	691	1,800	153.5	2,644.5	193.8	149.5	343.3	226.4	126 5	2,161.0	248.5
Afghanist'n and Baluchistan	4.5	Supplied from Russia, India and Persia.										
Russian Asiatic dependencies	20.	Supplied from Russia, etc.										
Turkey in Asia	21.6	Supplied from Turkey and Russia.										
	833.8											

* These amounts being chiefly in hoards are not included as "effective."

† It must be borne in mind that Hong Kong supplies many sections in the vicinity; its notes are in use throughout the islands and coast adjacent.

The second table of the series relates to Asia; here only one State, Japan, makes any pretension not to be upon a single-silver basis; the remainder are avowedly so.

Asia, with more than half the population of the globe, uses silver almost exclusively. The amounts given for India and China are, of course, largely dependent upon estimates. But there is every reason for believing that they are underestimated rather than overestimated.

No figures are given of the per capita circulation, since the conditions render such figures misleading. Besides, it may be safely stated that approximately 50 millions of the inhabitants of the continent of Asia have no money to speak of.

The third table shows the money of Oceanica, embracing the populous Dutch colonies of Java, Sumatra, the Spice Islands, under the dominion of the former, the Philippine Islands belonging to Spain and the important gold-producing regions of Australasia, belonging to Great Britain.

Table III.—Oceanica.

	Population.	Gold.	Full Silver.	Subsidiary Silver.	Total Specie.	Bank Notes.	Government Notes.	Total Paper.	Specie Reserves.	Uncovered Paper.	Effective.	Minor Coin.
Australia*.....	4.	105	..	7.5	112.5	21.	..	21.	75	..	112.5	1.
New Zealand*...	0.7	16	..	2.	18.	5.	..	5.	11	..	18.	0.2
Dutch Indies....	32.	1	40	40.	81.	21.	..	21.	16	5.	86.	6.
Spanish Indies ..	7.1	2	4	1.	7.	1.5	..	1.5	3	..	7.	1.
Borneo	0.5	..	..	0 5	0.5	..	0.1	0.1	.	0.1	0.6	1.2
Hawaii.....	0.1	3	..	1.	4.	..	..	..	..	..	4.	0.3
Islands	1.	..	..	1.	1.	..	..	..	..	..	1.	1.
	45 4	127	44	53.0	224.0	48.5	0.1	48.6	105	5.1	229.1	10.7

*Single-gold standard. Remainder double standard or indifferent.

The next table relates to Africa. It is well known that in the interior of this continent there is practically no money in use; the population of this "dark region" is in fact a matter of mere conjecture. Our data deal, therefore, with the coast regions almost exclusively.

It should be stated, however, that the valuable trade is annually drawing more Europeans thither, and the entire continent, not excluding even the Great Desert, is now claimed by one or another of the European countries.

It has been found practical to deal with the natives by means of bright copper pieces, and many tons of minor coin have been made and introduced by the trading companies.

Accurate statistics are necessarily meagre and unsatisfactory; the following table is the best that can at present be given. In the greater portion of the continent "standards" are disregarded.

Table IV.—Africa.

Single-Gold.	Population.	Gold.	Full Silver.	Subsidiary Silver.	Total Specie.	Bank Notes.	Government Notes.	Total Paper.	Specie Reserve.	Uncovered Notes.	Effective Circulation.	Minor Coin.
Egypt	6.8	120.	..	7.	127.	..	..	..	..	..	127.	7.
Cape Colony	1.5	34.	..	3.	37.	4.2	..	4.2	20.	..	37.	0.2
Natal	0.5	3.	..	0.4	3.4	1.	..	1.	2.9	..	3.4	
Orange Free State.	0.2											0.1
South Afr. Repub.	0.8	3.5	..	0.1	3.6	0.6	..	0.6	3.	..	3.6	
	9 8	160.5	..	10.5	171.	5.8	..	5.8	25.9	..	171.0	7.3
Double Standard.												
Algeria	4.2	10.	8.	4.	22.	16.	..	16.	7.	9.	31.	0.5
Tunis	1.5	6.	..	1.	7.	..	..	..	..	..	7.	0.2
Réunion	0.2											
Madagascar	3.5	..	1.	1.	2.	2 8	..	2.8	1.3	1.5	3.5	0.2
Eritria												
Abyssinia	6.2	..	1.	.8	1 8	..	..	..	..	..	1.8	0.2
Liberia	1.1	0.1	0.1	0.1	0.3	0.1	..	0.1	0.1	..	0.3	0.1
West Coast:												
French	10.											
British	1.7	0.5	0.5	1.0	2.	..	..	..	..	..	2.	0.2
Portuguese	0.1											
Congo State	14.0	..	0.2	0.1	0.3	..	..	..	..	..	0.3	0.2
East Coast:												
Mozambique	4.											
German	6.	..	0.3	0.1	0 4	..	..	..	..	..	0.4	1.
British	5.											
Zanzibar	0.4	..	0.1	0.1	0.2	..	..	..	..	..	0.2	0.2
	57.9	16.6	11.2	8.2	36.0	18.9	..	18.9	8.4	10.5	46 5	2.8
Single-Silver.												
Mauritius	0.4	..	3.	0.3	3 3	..	1.5	1.5	0 5	1.	4.3	0.1
Tripoli	1 3	..	0 7	0.3	1.	..	..	..	..	..	1.	0.2
Morocco	6.5	1.	6.	3.	10.	..	..	..	..	..	10.	0.6
	8.2	1.	9 7	3.6	14.3	..	1.5	1.5	0.5	1.	15.3	0.9
	75.9	178.1	20.9	22 3	221.3	24.7	1.5	26.2	34.8	11.5	232.8	11.0

The northern portion of the continent of America, including the islands called the West Indies, are, in a monetary sense, fairly developed. A separate table is therefore devoted to this portion of the Western continent.

South America is almost entirely dependent upon depreciated paper currency, the troubles arising from recent expansions followed by tremendous collapses having involved Brazil, Uruguay, Argentina and even Chile. Paraguay has always been disorganized, and Peru has now a healthy single-silver system only by reason of having repudiated its paper currency.

The mortgage banks' issues of cedulas are not included in the paper circulation in the table relating to South America. These amount to several hundred

Table V.—North America.

Single-Gold.	Population.	Gold.	Full Silver.	Subsidiary Silver.	Total Specie.	Bank Notes.	Government Notes.	Total Paper.	Specie Reserves.	Uncovered Paper.	Effective.	Minor Coin.
Canada	4.8	14.	..	5.	19.	30.	18.5	48.5	12.5	36.	55.	1.
Newfoundland	0.2	0.2	..	0.5	0.7	1.2	..	1.2	1.2	..	0.7	..
British West Indies	1.4	0 5	..	4.	4.5	2.3	..	2.3	3.	..	4.5	0.5
	6.4	14.7	..	9.5	24.2	33.5	18.5	52.0	16.7	36.	60.2	1.5
Double Standard.		*										
United States	68.9	626.6	550.	76.	1252.6	207.	884.	1091.	778.	313.	1565 6	15.
Cuba and Porto Rico	2.4	18.	2.	1.	21.	3.	..	3.	2.	1.	22.	0.2
Haiti	1.	2.	2.	1.	5.	4.	..	4.	2.	2.	7.	0.1
French West Indies	0.4	0.1	0.2	2.	2.3	1.	..	1.	0.5	0.5	2.8	0.1
	72.7	646.7	554.2	80.	1280.9	215.	884.	1099.	782.5	316.5	1597.4	15.4
Single-Silver.												
Mexico	12.1	5.	45.	5.	55.	28.5	..	28.5	30.5	..	55.	0.6
Central America	3.3	0.5	6.	2.	8.5	6.	..	6.	2.	4.	12.5	0.1
British Honduras	0.3	..	0.3	0.2	0.5	..	..	--	..	..	0 5	..
	15.7	5.5	51.3	7.2	64 0	34.5	..	34.5	32.5	4.	68	0.7
Total	94.8	666.9	605.5	96.7	1369.1	283.0	902.5	1185.5	831.7	356.5	1725.6	17.6

* The official estimate of gold in the United States is used in this table.

Table VI.—South America.

Single-Gold.	Population.	Gold.	Full Silver.	Subsidiary Silver.	Total Specie.	Bank Notes.	Government Notes.	Total Paper.	Specie Reserves.	Uncovered Notes.	Effective.	Minor Coin.
Brazil	14.6	7.	..	6.	13.	207.	78.	285.	10.	275.	288.	1.
Uruguay	0 8	4.	..	1.	5.	10.	..	10.	1.	9.	14.	0.2
Total	15.4	11.	..	7.	18.	217.	78.	295.	11.	284.	302.	1.2
Double Standard.												
Argentina	4.2	3.	2.	1.	6.	221.	85.	306.	4.	302.	308.	0.6
Chile	3.3	15.	2.	7.	24.	30.	17.	47.	15.	32.	56.	0 2
Venezuela	2.3	4.	1.	2.	7.	2.	..	2.	1.	1.	8.	0.2
Guianas	0.4	..	1.	0 2	1.2	0.2	..	0.2	0.3	..	1.2	0.1
	10.2	22.	6.	10.2	38.2	253.2	102.	355.2	20.3	335.	373.2	1.1
Single-Silver.												
Paraguay	0 5	0.2	0.2	0 2	0.6	4.	3.3	7.3	0.3	7.	7.6	..
Ecuador	1.3	0.4	..	2.	2.4	2 2	..	2.2	0.7	1.5	3 9	0.1
Colombia	4.	..	2.	3.	5.	16.	..	16.	3.	13.	18.	0.2
Peru	3.	0.5	2.	2.	4.5	..	..	..	..	..	4 5	0.3
Bolivia	2.3	..	..	2.	2.	1.	..	1.	0.8	0.2	2.2	0.1
	11.1	1.1	4.2	9.2	14.5	23.2	3.3	26.5	4 8	21.7	36.2	0.7
Total	36.7	34.1	10.2	26.4	70.7	493.4	183.3	676.7	36.1	640.7	711.4	3.

million pesos or dollars, and although performing some functions of circulation, their character warrants their being excluded.

Mexico, Argentina, Chile and Uruguay issue these notes.

The next table recapitulates the preceding ones, first by grand divisions, then by the three standards.

Grand Divisions.	Population.	Gold.*	Full Silver.	Subsidiary Silver.	Total Specie.	Bank Notes.	Government Notes.	Total Notes.	Specie Reserves.	Uncovered Notes.	Effective.	Minor Coin.
Europe	364 3	3048.	1160.	501.5	4709 5	3018 6	466.	3484.6	2178.3	1314.8	6024.3	102.3
Asia	833.8	81.	1800.	153.5	2034.5	193 8	149.5	343.3	226.4	126.5	2161.	248.5
Oceanica	45 4	127.	44.	53	224.	48.5	0.1	48.6	105.	5 1	229.1	10.7
Africa	75.9	178.1	20.9	22.3	221.3	24.7	1.5	26.2	34.8	11.5	232 8	11.
No. America	94.8	666.9	605.5	96.7	1369.1	283.	902.5	1185.5	831.7	356.5	1725.6	17.6
So. America	36.7	34.1	10.2	26.4	70 7	493.4	183.3	676.7	36.1	640.7	711.4	3
Total	1450.9	4135.1	3640.6	853.4	8629.1	4062.0	1702.9	5764 9	3412.3	2455.1	11,084 2	393.1
By Standards.												
Single-gold	194.4	1782 2	219.	353.5	2354.7	1126 1	264 5	1390.6	863.8	613.9	2968.6	55.9
Double	331.7	1883.3	1628.4	282.4	3794.1	2072.3	1097.1	3169.4	1923.2	1250.	5044.1	88 4
Single-silver	924.8	469.6	1793.2	217 5	2480.3	863.6	341.3	1204.9	625.3	591.2	3071.5	243.8
Total	1450.9	4135.1	3640.6	853.4	8629.1	4062.0	1702.9	5764.9	3412.3	2455.1	11,084.2	393.1

* Excludes India and China $610,000,000, here.

It appears therefrom that less than one-seventh of the population of the world prefers the single-gold standard; but this small proportion possesses three-sevenths of the monetary gold in the world. The chief representatives, moreover, of this class are Great Britain and Germany, the former the chief creditor nation of the world.

Comparative Table of Various Estimates of the World's Money.

	Mulhall. 1848.	Mulhall. 1860.	U. S. Mint. 1883.	Mulhall. 1890.	U. S. Mint. 1892.*	Present. 1894.
Gold	785	1,700	3,294	3,950	3,901	†4,135
Silver	1,940	2,400	2,754	4,005	3,931	4,494
Uncovered paper	1,300	1,800	1,984	4,230	2,700	2,455
Total	4,025	5,900	8,032	12,185	10 532	11,084

* This does not include as many countries as the other estimates. † Excluding India and China $610,000,000, for comparison.

An important feature in connection with the volume of money is the banking power of nations. Large proportions of the domestic exchanges are made by transfers of credits through the medium of checks and drafts, and commerce is

facilitated by advances of credits measurable by the available moneys and credits of banking institutions. These are represented by the capital, surplus or reserves and deposits.

A table showing the banking power of the world (Mulhall's estimate) for the year 1889 follows:

Banking Power of the World, 1889.

(In millions of £.)

Country.	Capital.	Deposits.	Total.
United Kingdom	284	626	910
France	140	128	268
Germany	85	146	231
Russia	42	64	106
Austria-Hungary	45	102	147
Italy	25	83	108
Spain	31	16	47
Portugal	6	4	10
Sweden	9	15	24
Norway	5	1	6
Denmark	2	21	23
Belgium	11	19	30
Holland	14	6	20
Switzerland	5	12	17
All Europe	704	1,243	1,947
United States	270	760	1.030
Australia	26	108	134
Canada	13	27	40
Cape Colony	2	7	9
Argentine	12	17	29
Uruguay	3	5	8
	1,030	2,167	3,197

It will be observed that no allowance is made in this table for banks in Greece, Turkey, Servia, Bulgaria and Roumania; this would make an addition of at least £45,000,000 to the banking power of Europe, and the increase since 1889 would probably bring the total banking power of Europe up to £2,200,000,000. That of the United States may be safely placed at one-half that sum, and including the banks heretofore referred to for other parts of the world, the aggregate banking power may be stated as follows:

Europe	£2,200,000,000
Asia	150,000,000
Africa	50,000,000
Oceanica	175,000,000
North America	1,200,000,000
South America	140,000,000
	£3,915,000,000
Or say	$19,000,000,000

It is believed that in the detailed table the banking power of France is some-

what underestimated; but it is a noteworthy fact that in France bank deposits do not perform nearly so largely the function of money as in Great Britain; for this reason its per capita money circulation is necessarily greater.

A statement of the metal holdings and note issues of the five principal banks of issue of Europe for a series of years follows:

Coin-holdings and Note-issues of the Principal Banks of Europe for Certain Years.

(In millions of dollars.)

Near the End of	Bank of France.			Bank of England.		Bank of Germany.		Bank of Russia.		Bank of Austria.	
	Gold.	Silver.	Notes.	Coin.	Notes.	Coin.	Notes.	Coin.	Notes.	Coin.	Notes.
1871.....	111	18	461	125	125	144	182	117	543	56	127
1876.....	306	128	512	140	145	125	191	111	591	54	118
1881.....	131	232	556	100	135	128	215	129	850	76	142
1886.....	228	235	566	94	123	167	227	...	...	82	148
1889.....	256	249	600	89	123	191	253	274	805	108	207
1890.....	225	249	610	117	...	192	264	342	805	109	216
1891.....	267	251	641	112	129	225	281	329	805	110	227
1892.....	328	245	636	118	123	216	272	322	782	136	239
1893.....	339	252	723	124	129	202	268	305	813	135	249
1894.....	414	247	736	163	128	256	291	308	789	146	244

NOTES.—The Bank of England holds no silver. The silver in the Bank of Germany is estimated to be about 30 per cent. of the total. The Bank of Russia carries now less than $4,000,000 in silver. The Bank of Austria has still about 50 per cent. of silver in its coffers.

THE CLEARING-HOUSE SYSTEM.

The New York Clearing-House—Transactions of All Clearing-Houses in the United States, 1878–1894—London Clearing-House—Clearing-House Certificates.

By this term is designated a most simple process of making exchanges of bank checks, etc., with the minimum of labor and risk.

Banks in the larger cities of the United States and in a number of cities in Europe as well, organize for the purpose of thus facilitating the settlements between them, each bank bearing its share of the expense, which, compared with the cost of collecting checks, is very small.

For example, in New York all of the principal banks are thus associated; practically all of the banks of the city "clear," but the smaller ones do so through some member of the Association.

Each bank sends to the institution all of the checks it has received up to about 9.30 o'clock in the morning and delivers them to the representative of the banks upon which they are drawn; by this process a "settling clerk," representing his respective bank, is enabled to prepare in a very short space of time a sheet showing the amounts for which his bank is to be charged, and the amounts his bank is to be credited with. He then strikes a balance, which he transmits to the manager of the institution, present at the daily settlement. The manager's clerk prepares the general balance sheet. Obviously some banks will appear creditors and others debtors, but the totals of the accounts will balance unless an error has been made.

The process, in New York, begins at exactly 10 o'clock A. M., and unless errors occur the balance is struck by 11.15 o'clock. A system of fines for tardiness, errors, etc., serves to bring about exactness.

All banks appearing as debtors on the balance sheet are required to furnish the manager with the amounts due by them not later than 12.30 o'clock, and by 1.30 o'clock the manager begins to pay to the creditor banks the amounts due them. It follows that he never carries over any funds.

In this manner it frequently occurs that checks representing $250,000,000 are settled by the handling of only $5,000,000 of actual money. It is only when one bears in mind that under the former system $250,000,000 of cash would have to be carried through the streets of New York that the reduced risk of this system can be appreciated.

But the system goes farther in reducing chances of loss. Moneys are deposited in charge of a clearing-house committee, which issues certificates payable to order and to be regarded as cash only between the banks represented in

the institution, and so far as these certificates, or the Government's Currency Certificates, are used, the opportunity for loss or fraud is materially lessened.

In some clearing-houses settlements are made by drafts of the manager against the debtor banks and in favor of the creditor banks.

The returns of the clearing-houses are regarded as quite a satisfactory index to the volume of business of the country, since they necessarily represent, in a general way, the results of the aggregate transactions of at least the wholesale trade.

The following table shows the total annual exchanges of the clearing houses of the United States since 1878:

1878	$27,814,000,000	1887	$51,147,000,000
1879	38,526,000,000	1888	49,541,000,000
1880	49,990,000,000	1889	56,175,000,000
1881	63,471,000,000	1890	60,829,000,000
1882	60,878,000,000	1891	56,947 000,000
1883	51,731,000,000	1892	62,109,000,000
1884	44,200,000,000	1893	54,309,000,000
1885	41,474,000,000	1894	45,615,000,000
1886	49,294,000,000		

The transactions of the London Clearing-House for the same period were as follows:

1878	£4,992,000,000	1887	£6,077,000,000
1879	4,885,000,000	1888	6,942,000,000
1880	5,794,000 000	1889	7,619,000,000
1881	6,357,000,000	1890	7,801,000,000
1882	6,221,000,000	1891	6,847,000,000
1883	5,929,000,000	1892	6,481,000,000
1884	5,798,000,000	1893	6,478,000,000
1885	5,511,000,000	1894	6,337,000,000
1886	5,9-2,000,000		

It is estimated that 95 per cent. of the volume of business is transacted by means of bank checks.

London's clearing-house was established in 1840, and was probably the first. New York followed in 1853. Seventy-one cities in the United States now have clearing-houses.

It is surprising that so simple a system should have been so late in being adopted by banking institutions, but it will be equally surprising to our posterity that the system was not developed more extensively in recent years.

In London some steps in the direction of development have been taken; checks of country banks are now "cleared" there by means of a separate settlement. In New York one of the stock exchanges has adopted the "clearing" system with satisfactory results.

But the great saving to commerce (which must of course bear the expense of exchanges) of a system of international clearings is so manifest, that it seems unreasonable that a system, like the local ones, should not be established in the near future. The subject will be further considered in the next chapter.

Before leaving the clearing system a few words should be said in relation to

CLEARING-HOUSE LOAN CERTIFICATES.

These certificates have been issued during periods of great money stringency by clearing-house associations in various parts of the country. The course pursued is to receive from banks desiring to make use of such facilities, first-class securities or commercial paper upon special deposit under the supervision of a clearing-house committee; certificates are issued thereon to the extent of a fixed per cent. (say 75) of the value of the securities. The certificates are used by banks to meet their clearing-house balances, and are usually in large denominations, but in some cases, during 1893, they were issued in small denominations—some as low as 25 cents—to supply the absolute need of the public for circulation of some kind during the hoarding period.

This method of supplementing the reduced monetary supply enables banks to afford the mercantile community relief during periods when loans and discounts are naturally not freely made. Thus the device of economizing the meagre supply of money proved invaluable on many occasions. The certificates were not kept in use for long periods, because they bore interest at the rate of 6 per cent, and sometimes more, so that it was profitable to retire them as soon as practicable.

The principal issues of these certificates were:

New York,	September 20, 1873, to January 14, 1874	$26,565,000
	May 15 to October 3, 1884	24,915,000
	November 11, 1890, to February 7, 1891	15,205,000
	June 21 to November 1, 1893	41,490,000
Philadelphia,	1873	6,785,000
	1890	8,870,000
	1893	10,965,000
Boston,	1890	5,065,000
	1893	11,445,000

Another valuable co-operative feature of some clearing-house associations is found in the periodical reports of conditions that are made by the banks. In New York and in other cities this is done weekly, and the statement of the aggregates in the metropolis are regarded as of prime importance. The items shown are: Loans, specie and legal tender notes on hand, deposits and circulation.

The statements are made up, however, from averages—that is to say, the *average* of the daily footings of these items is reported; so that the bank statement does not accurately reflect the *actual* conditions of the banks at the time of making the reports.

In New York city the United States Treasury Department is represented in the clearing-house by the Assistant Treasurer there, who transacts practically two-thirds of the Government's fiscal business. He is usually a debtor at the clearing-house.

INTERNATIONAL EXCHANGES.

The Commerce of the World—Movement of Precious Metals—International Clearing-House—Equivalents of Units.

In this chapter an attempt will be made to indicate the volume of exchanges of commodities between nations and the manner in which settlements are made.

It becomes necessary, therefore, to examine the volume of the international trade of the world.

The following table includes the annual commerce of the principal and nearly all other countries, segregated by grand divisions of the world.

(In millions of dollars.)

Divisions.	(Mulhall.) Average Annual, 1881-'86.			(Mulhall.) For 1889.			(Economiste Européen.) For 1893.		
	Imports.	Exports.	Total.	Imports.	Exports.	Total.	Imports.	Exports.	Total.
Great Britain	1,955	1,455	3,410	2,135	1,565	3,700	2,033	1,081	3,114
France	905	670	1,575	835	720	1,555	771	647	1,418
Germany	765	770	1,535	1,020	815	1,835	1,033	811	1,844
Netherlands	430	330	760	530	465	995	592	463	1,055
Other Europe	1,760	1,600	3,360	1 795	1,690	3,485	1,931	1,980	3,911
All Europe	5,815	4,825	10,640	6,315	5,255	11,570	6,360	4,982	11,342
China	110	95	205	130	115	245	180	181	361
India	258	396	654	324	462	786	261	357	618
Other Asia	120	135	255	150	150	300	413	317	730
All Asia	488	626	1,114	604	727	1,331	854	855	1,709
United States	670	790	1,460	770	830	1,600	740	1,019	1,759
Other America	525	540	1,065	540	590	1,130	657	759	1,416
All America	1,195	1,330	2,525	1,310	1,420	2,730	1,397	1,778	3,175
Australasia	305	235	540	340	310	650	291	318	609
Africa	130	140	270	125	150	275	164	179	343
Other countries	200	240	440	200	260	460	130	180	310
Total	8,133	7,396	15,529	8,894	8,122	17,016	9,196	8,292	17,488

Statistics on this subject are, however, somewhat misleading, for the reason that many of the principal nations serve only as intermediaries for others. Thus, Switzerland and other nations having no ports, and even such

countries as Austria-Hungary, with a very small coast line, must bring their imported merchandise across the frontiers, through other countries; and unless this "transshipment trade" is separated from the trade pertaining particularly to the country under consideration, the figures are necessarily too large.

Moreover, the matter of payment for commodities is very much involved with the transfer of bonds or other securities not represented in commerce proper and hence not in commercial statistics, but frequently a very important element in settlements with debtor countries; interest payments—an item not readily measured—contribute further unknown sums.

The statistics here given are, therefore, useful chiefly to indicate the greatness of the volume of transactions and, in comparison, the smaller transmission of precious metals to discharge balances.

The external commerce of the countries of the world therefore amounts to $17,500,000,000, of which the imports were $9,200,000,000, which includes say $500,000,000 of transit trade, making the net $8,700,000,000, and the exports $8,300,000,000.

Of this net total of $17,000,000,000 the proportion by countries of each of the three classes of money standards is approximately as follows:

	Imports.	Exports.
Single-gold standard	$3,705,000,000	$3 540,000,000
Single-silver standard	1,080,000,000	1,085,000,000
Double standard	3,915,000,000	3,675,000,000
Total	$8,700,000,000	$8,300,000,000

Europe's share in the total commerce is about $11,350,000,000, and the imports exceed the exports by about $1,300,000,000. This is largely offset by the negotiation of securities and the payment of interest to European holders of such obligations; for as a rule Europe exports comparatively small amounts of the precious metals annually. It is estimated that Great Britain alone holds £3,000,000,000 of foreign obligations.

Statements showing the movement of precious metals follow:

Gold and Silver Movement (*In Millions of £.—Mulhall*).

EXPORTS.

	Great Britain.	France.	United States.	Australia.	Spanish America.	Various.	Total.
1861-1870...	203	197	135	108	81	262	986
1871-1880...	291	138	147	76	75	204	931
1881-1888...	164	116	76	34	41	239	670

IMPORTS.

	Great Britain.	France.	United States.	East.	Various.	Total.	Average Annual.
1861–1870...	264	281	43	233	165	986	98.6
1871–1880...	312	262	60	126	171	931	93.1
1881–1888...	1 2	125	87	128	168	670	83.7

It appears, therefore, that the average annual transfer of precious metals has fallen off nearly $75,000,000 each way, since the decade 1861–70.

1881–1888. (*In Millions of £.—Mulhall.*)

	Imports.			Exports.		
	Gold.	Silver.	Both.	Gold.	Silver.	Both.
Great Britain	96	66	162	96	68	164
France	63	62	125	67	49	116
United States	64	23	87	35	41	76
Spanish America	20	..	20	4	37	41
East	12	116	128	2	19	21
Australia	2	..	2	34	..	34
Various	110	36	146	129	89	218
Total	367	303	670	367	303	670

1893. (*In Millions of $.*)

	Gold.		Net.	Silver.		Net.
	Import.	Export.		Import.	Export.	
Great Britain	121	95	+ 26	73	68	+ 5
France	59	22	+ 37	32	24	+ 8
Germany	35	24	+ 11	2	12	— 10
Austria	30	1	+ 29	4	2	+ 2
Other Europe	32	25	+ 7	35	22	+ 13
All Europe	277	167	+110	146	128	+ 18
America	28	109	— 81	34	101	— 67
Africa	..	25	— 25	..	..	..
Australia	15	24	— 9	..	..	..
Asia	15	10	+ 5	79	30	+ 49
Total	335	335	.....	259	259	....

From the last of the tables it appears that in 1893 $670,000,000 in gold and $518,000,000 in silver were moved.

Analyzing the latter year's bullion movement we find that the United States, Africa and Australia lost $115,000,000 of gold, and Europe and India gained that quantity.

Of silver the United States, Mexico and South America furnished about $67,000,000 net, of which the major part went to the Orient by way of Europe.

Mexico's imports are so much in excess of her exports of products that she is compelled to send her silver abroad. In the year 1893 her commerce required her to part with fully $52,000,000, at her own valuation, in pesos; if these could have been transferred to the Orient directly, their value would have been greater than under existing conditions, which compelled her to send them largely to Europe at the market value of silver, which, at the depreciated price, involved a loss of fully $20,000,000. Thus Mexico, by reason of the demonetization of silver, is at a disadvantage, and the South American States, which are large exporters of silver, suffer from the same cause.

The establishment of an international monetary clearing-house would, it is believed, serve to equalize the conditions now so oppressive to many nations. This plan* briefly stated is:

1. To select a universal monetary standard.

2. To adopt measures for securing the use of gold and silver on such a flexible ratio as will effect permanent stability in the value of the world's money.

3. To adopt measures for facilitating international monetary transactions and for their supervision and control.

This would, further, require the joint use of gold and silver by all nations in proportion to the commerce; the issue of international certificates representing gold and silver; the redistribution of the present monetary stocks to assure bi-metallism for each country; the clearing of international debits and credits by the central institution, and the adjustment of differences. The institution to be under the management of a commission composed of representatives chosen from each country in proportion to its population and money.

Such a system could be utilized to economize the international clearings, which now require the use of one dollar for every seventeen of commerce; whilst domestic clearings usually involve the actual use of only one dollar in fifty. A more stable exchange basis between silver-using and gold-using countries would also be established, which would benefit not only the former, but also those who, in the latter, hold the debts of the silver countries. Moreover, these would be saved the troubles resulting from over-expansion; their securities would be much more secure.

The much-to-be-desired international unit or coin remains still a thing of the future, due in great measure to the differences between the present units, and the difficulty of changing them so as to avoid the necessity of computations.

A 25-franc gold piece has been recommended for this purpose. The variation

* Plan of Mr. R. P. Rothwell, *Engineering and Mining Journal.*

between it and similar coins of other leading nations is best shown by reducing them to weights of pure metal, thus :

25 francs	= 7.258	grammes	pure	gold	worth $4.82 2-5
Half-eagle	= 7.523	"	"	"	" 5.00
Sovereign	= 7.322	"	"	"	" 4.86⅔
20-marks	= 7.168	"	"	"	" 4.76 2-5

A table showing the equivalents of the principal coins or units of the world in terms of each other is of interest in this connection :

Table of Equivalents of Principal Coins or Units.

	Dollars.	Shillings.	Francs.	Marks.	Florins.	Kronen.	Kronor.	Rouble.	Peso.	Rupee.
Dollar	....	4.11	5.18	4.20	2.48	4.92	3.73	1.34	.98	2.25
£ of 20 shillings	4.86.6	....	25.22	20.43	12.09	23.97	18.16	6.50	4.80	10.96
Franc*	.19.3	.79	....	.81	.48	.95	.72	.26	.19	.43
Mark	.23.8	.98	1.24	....	.59	1.17	.89	.32	.23	.54
Florin (Dutch)	.40.2	1.65	2.09	1.69	....	1.98	1.50	.54	.40	.90
Krone (Austria)	.20.3	.83	1.05	.85	.50	....	.76	.27	.20	.46
Krone (Scand.)	.26.8	1.10	1 39	1.13	.67	1.32	....	.38	.26	.60
Rouble†	.74 8	3.08	3.88	3.15	1.86	3.68	2.79	....	.74	1.69
Peso†	1.01.6	4.18	5.26	4.27	2.53	5.00	3.79	1.36	....	2.29
Rupee†	.44.4	1.83	2.30	1.87	1.10	2.18	1.66	.59	.44	....

* Same as lira, peseta, drachma, lew, lei, markka, dinar, bolivar and 1-5 peso of Spanish America.
† Silver rouble, peso, rupee, at United States coining rate.

Quotations of exchange, i. e., the rate at which drafts on other countries can be purchased, are usually expressed in terms of one or the other of the respective units. In some cases the quotations are expressed in the same terms in both ; thus, in London, exchange upon Paris is quoted at 25.22 francs ; in Paris exchange upon London is quoted in the same manner ; the rates between London and New York are likewise quoted in the same terms, $4.86⅔.

But exchange upon Berlin is quoted in Paris at 124, being the equivalent, in francs, of 100 marks ; in Berlin the quotation for Paris drafts is 81, being the value, in marks, of 100 francs.

INTERNATIONAL MONETARY CONFERENCES.

MONETARY CHRONOLOGY—THE CONFERENCE OF 1867—THE CONFERENCES OF 1878, 1881 AND 1892—PROPOSITION BEFORE EACH.

INTERNATIONAL MONETARY CHRONOLOGY.

1786. United States—Establishment of double standard at 15¼ to 1.
1792. United States—Ratio changed to 15 to 1.
1803. France—Double standard 15½ to 1 established.
1810. Russia—Silver standard introduced, 15 to 1.
1816. Great Britain—Single-gold standard introduced,
Holland—Substitution of ratio 15⅞ for 15½ to 1.
1832. Belgium—Adopts French system.
1834. United States—Substitution of ratio 16 for 15 to 1.
1835. India—Adoption of silver standard, ratio 15 to 1.
1844. Turkey—Adopts double standard, 15.10 to 1.
1847. Holland—Adopts single-silver standard.
Discovery of gold in California.
1848. Spain—Substitutes ratio of 15.77 for 16 to 1.
1850. Switzerland—Introduces French system.
1851. Discovery of gold in Australia.
1854. Portugal—Substitutes single-gold for single-silver standard.
Spain—Modifies ratio to 15 48 to 1.
1857. Monetary treaty between Austria and Germany (single-silver standard).
1862. Italy—Adopts French system.
1865. Latin Union formed—France, Belgium, Switzerland and Italy.
1867. First International Monetary Conference.
1868. Greece—Joins Latin Union.
Spain—Adopts Latin Union system.
Roumania—Adopts Latin Union system.
1871. Germany—Adopts single-gold standard.
Japan—Adopts double standard, ratio 16.17 to 1.
1873. United States—Gold standard adopted.
Scandinavian Union formed, gold standard.
1875. Belgium, Holland and France suspend silver coinage.
Italy suspends silver coinage.
Holland—Double standard introduced, ratio 15.62 to 1, but no coinage of silver.
1876. United States—Silver commission.

1878. United States—Returns to double standard (Bland-Allison law).
Second International Monetary Conference.
1879. United States—Resumes specie payments.
Austria-Hungary—Suspends silver coinage.
1879. Germany—Suspends sales of silver begun in 1873.
1881. Third International Monetary Conference.
1885. Latin Union prolonged to 1891.
1886. Russia—Modifies coinage.
Great Britain—Gold and silver commission.
1890. United States—Increases acquisition of silver (Sherman law),
China—First opens its mint.
1892. Austria-Hungary—Adopts single-gold standard.
Roumania—The same.
Fourth International Monetary Conference.
1893. India—Closes mints to free coinage of silver.
United States—Repeal of Sherman law; suspension of all acquisition of silver.
1894. Germany—Silver commission.
1895. Germany—Resolves to call the Fifth International Conference.

INTERNATIONAL MONETARY CONFERENCES.

Conferences have frequently been held between nations to determine upon measures of greater uniformity in relation to monetary matters. The conference of 1865, which led to the formation of the Latin Union, and that of 1873, which resulted in the Scandinavian Union, are among the less important, because participated in by few nations only.

But in 1867 France invited all nations to confer in Paris upon the subject of the modification of coinage for the promotion of commerce and the facilitation of international exchanges.

The conference declared itself, in principle, in favor of the unity of the gold standard, while considering it advisable to temporarily continue the double standard in those countries accustomed thereto, and recommended an international coin equal to 25 francs. While the conference had no power to bind, by its action, any of the States represented, its declaration probably influenced those which from 1871 to 1873 proceeded to carry out a programme in harmony with that declaration. This conference unquestionably gave the French system of coinage and the metrical system of weights and measures an important standing in the world.

When the subject of the rehabilitation of silver became more fully discussed, owing to the adoption of the so-called Bland-Allison law of February 28, 1878, a general international conference was deemed advisable; the law referred to directed the President to invite the nations of the world to confer in Paris in 1878 for the purpose of persuading the commercial world, and Europe in particular, that silver continued to be necessary for monetary purposes.

When the conference met in May, 1878, twelve nations were represented. Before its close others were added. But the delegates from Great Britain and Germany, as well as those of some other countries, were without power to bind their respective governments by their action.

The principal object was to arrive at a ratio at which silver might be satisfactorily given as great a freedom in the mints of the civilized world as was given to gold. The conference found no difficulty in declaring that it was necessary to maintain in the world the monetary functions of silver as well as those of gold; but the manner in which this was to be accomplished was a point upon which no agreement could be reached. After full discussion and the preparation of much valuable literature upon the subject of money, the conference adjourned late in August without practical results.

Hoping, rather than believing, that the opinions of the principal objectors to the rehabilitation of silver (Great Britain and Germany) might have undergone a change, or have become amenable to arguments, the United States and France jointly invited the nations to a second conference in 1881, also at Paris. This one was as fully attended by delegates as the preceding one. But the delegates were again unable to agree upon any method by which the desired object of restoring silver could be accomplished. An adjournment took place in July, with the understanding that the conference would reassemble in April, 1882, if called; but conditions were not regarded as favorable to its reassembling, and the project was left to die of compulsory neglect.

In the meantime, however, the fall in the price of silver had so affected the commerce and fiscal condition of India, and in the opinions of many had exercised an influence upon the condition of the people of the western countries as well, that a royal commission to investigate the question was appointed by the government of Great Britain in 1886. It consisted of twelve members, and its determination was looked forward to with great interest. When its report was finally published (in 1888), it was found that while all the members believed that the monetary disturbances were at least in part due to the demonetization of silver, only six of the members recommended that Great Britain take some action, believing it not only practicable but wise. The other half of the commission could not assent to this, and accordingly nothing was done except to furnish a mass of valuable material for the student of these questions. Subsequently one of the six commissioners who declared against the rehabilitation of silver acknowledged his conversion to the cause of silver upon an internationally agreed ratio.

Somewhat encouraged by these manifestations of interest the United States in 1892 again invited the nations to send delegates to a conference in Brussels. When it met, in November of that year, twenty nations were represented.

The declared object of the conference was to obtain an agreement recommending international bi-metallism upon a ratio for silver which could be maintained, but failing in this the delegates from the United States were instructed to endeavor to induce European nations to agree to an enlargement of the use of silver as money.

A majority of the delegates, as in the previous conferences, substantially

agreed upon the desirability of bi-metallism under terms of an international agreement, but just as before the representatives of the gold mono-metallic countries of Europe, to which Austria-Hungary was now added, did not manifest much sympathy with the movement, and in fact some of the delegates declared that for their respective countries the single-gold standard was the only possible measure. Many propositions were, of course, discussed, but the conference, after thanking the Government of the United States for calling them together, "suspended its labors" until May, 1893. It has not been reconvened.

In 1891 a conference of the States of the American continent was held in Washington, but was fruitless on the money question.

Below will be found abstracts of the principal propositions considered at the several conferences.

In Great Britain an organization favoring international bi-metallism was formed and is making propaganda; in Germany, also, the movement for the rehabilitation of the white metal is gaining ground, and only recently the parliament adopted a resolution directing a call for another conference. In the United States and in France those favoring bi-metallism have not remained inactive, so that there may be a conference of 1895.

Propositions in the Conference of 1878.

By the United States:

I. It is desirable that the unrestricted coinage of silver and its use as money of unlimited legal tender should be retained where they exist and, as far as practicable, restored where they cease to exist.

II. The use of both gold and silver as unlimited legal tender money may be safely adopted, first, by equalizing them at a relation to be fixed by international agreement; second, by granting to each metal at the relation fixed, equal terms of coinage.

Answer by certain European States:

I. While necessary to maintain the monetary functions of silver, the selection for use should be governed by the special position of each State or group.

II. The question of restricting the coinage to be likewise left to the States, the disturbance produced by the fall of silver having affected the several countries variously.

III. That the differences of opinion were so great (and even double-standard countries find it impossible to enter into engagements with reference to the free coinage of silver) as to exclude the discussion of the adoption of a common ratio between the two metals.

Propositions in the Conference of 1881.

I. Have the fall and the fluctuation in the price of silver been hurtful to commerce and hence to general prosperity? Is it desirable that the relation between gold and silver be stable?

II. Should the fall and fluctuation be attributed to increase of production or to legislation?

III. Is it not probable that if a large group of States should agree to the free and unlimited coinage of silver with full legal-tender faculty, at a uniform ratio, a stability would be obtained, very substantial if not absolute?

IV. If so, what measures should be taken to reduce the fluctuations to a minimum?

V. In adopting bi-metallism what should be the international ratio?

Among the informal suggestions were:

1. Withdrawal of small notes and small gold coins.

2. Issue of silver certificates upon bars, the value of the latter to be internationally rated.

3. Privileged banks of issue to take silver as well as gold for their reserves.

PROPOSITIONS OF THE BRITISH GOLD AND SILVER COMMISSION.

By the six members opposed to bi-metallism:

(Par. 107.) The first step towards answering the inquiry proposed to ourselves is to determine the subsidiary question whether a bi-metallic arrangement could create and maintain a stable ratio between silver and gold. We have already so fully set out the opposing views held on this point, that it will be sufficient, without examining them at any length, to state the conclusions at which we have ourselves arrived.

We think that in any conditions fairly to be contemplated in the future, so far as we can forecast them from the experience of the past, a stable ratio might be maintained if the nations we have alluded to were to accept and strictly adhere to bi-metallism, at the suggested ratio.

We think that if in all these countries gold and silver could be freely coined, and thus become exchangeable against commodities at the fixed ratio, the market value of silver, as measured by gold, would conform to that ratio, and not vary to any material extent.

(Par. 138.) Though unable to recommend the adoption of what is commonly known as bi-metallism, we desire it to be understood that we are quite alive to the imperfections of standards of value, which not only fluctuate, but fluctuate independently of each other; and we do not shut our eyes to the possibility of future arrangements between nations which may reduce these fluctuations.

By the six members in favor of bi-metallism:

(Par. 34.) No settlement of the difficulty is, however, in our opinion, possible without international action. The remedy which we suggest is essentially international in its character, and its details must be settled in concert with other powers.

It will be sufficient for us to indicate the essential features of the agreement to be arrived at, namely, (1) free coinage of both metals into legal-tender money; and (2) the fixing of a ratio at which the coins of either metal shall be available for all payments, at the option of the debtor.

PROPOSITIONS IN THE CONFERENCE OF 1892.

By the United States:

I. That the re-establishment and maintenance at a fixed parity between gold

and silver, and the continued use of both as coined money of full debt-paying power, would be productive of important benefits to the world.

II. That these ends can be accomplished by removing the legal restrictions which now exist on the coinage of silver into full legal-tender money, and restoring by international agreement the parity of value between the metals which existed prior to 1873 at such ratio as may be decided upon by this conference.

III. That the essential provisions of such an international agreement should be:

1. Unrestricted coinage of both gold and silver into money of full debt-paying power.

2. Fixing the ratio in coinage between the two metals.

3. Establishing a uniform charge (if any) to the public for the manufacture of gold and silver coins.

The plan proposed by Dr. Adolf Soetbeer was:

1. The acknowledgment of a fixed weight of pure gold as a universal basis for currency.

2. Recoining all gold and issuing no gold coins of less than 5.8065 grammes of pure gold (= to 20 francs or $3.96) at mint charges of 2 per thousand ($\frac{2}{10}$ of 1 per cent.).

3. Issue of gold certificates for gold deposits in amounts (or multiples) of 500 grammes of pure gold, upon actual deposits of coin.

4. Retirement of all paper money representing less than the value of 5.8065 grammes pure gold, and to issue no more.

5. Retirement within fifteen years of all silver coins current at more than 10 per cent. of the fixed minimum gold coin, and coining major silver coins to be receivable for all public dues by the country issuing them, to any amount, at the ratio of 20 to 1; to be legal tender to thrice the amount of lowest gold coin; coinage only on Government account.

6. Subsidiary silver coins to be issued as each country may determine.

7. Silver certificates to be issued only against actual deposits of major silver coins, in denominations of half the smallest gold coin or any multiple.

8. Mutual reports of laws and operations to be exchanged annually.

9. Withdrawal from compact only upon one year's notice.

Mr. Alfred De Rothschild's plan:

European States to agree to buy annually, in proportions and under conditions to be agreed upon, 30,000,000 ounces of silver to be devoted to monetary uses, for a period of five years, unless silver goes beyond a limit (in price) to be determined upon; provided, however, that the United States continue to purchase 54,000,000 ounces annually and free coinage continue in India and Mexico.

Minor propositions:

A. Establish international silver money at a ratio to be based upon the market value of silver, to be unlimited legal tender in the contracting countries, but redeemable by the issuing nation. No limit to coinage; charge of 10 per cent.; ratio changeable by agreement.

B. Issue full legal-tender silver certificates not redeemable in gold, but receivable internationally, at rates fluctuating with the market for silver.

C. Issue international silver notes, not legal tenders, but redeemable in silver bullion at the current gold valuation, the quantity of silver varying, therefore, according to fluctuations—the combined issuing nations to share losses due to depreciation.

The German Bi-Metallists' Proposition, 1894.

International treaty providing that each nation receive at a fixed place silver bars in weights of 5,000 grammes or multiples, 900 thousandths fine, and issue certificates redeemable at any depository, in silver bars, each nation to buy and sell such certificates at a price fixed first by the treaty, and annually thereafter by a conference in which each nation is represented according to population; the price once fixed never to be lowered; each nation to pledge itself not to sell silver nor to retire silver coins, nor restrict their legal tender power; the silver certificates to be accepted at par with other money by each country and available for bank reserves; treaty to last for 5 years and abrogated then only upon one year's notice, by a conference; coinage of silver only at a seignorage equal to the difference between the fixed price and the coinage rate, until the ratio of 15½ to 1 is re-established; and coining nations need not maintain a depository for bars. In case of winding up, the conference to determine the disposition of the silver on hand in each place.

Resolution of the German Reichstag, February 16, 1895.

This resolution was to the effect that in view of the existing condition of trade, believed to be due to the fall in the price of silver, the Chancellor be requested to call an international conference at an early date to take measures to bring about the rehabilitation of silver as a circulating medium. It was adopted by a two-thirds vote.

On March 16 the Council of State approved the request.

Resolution of British House of Commons, February 26, 1895.

Resolved, That the House regards with increasing apprehension the growing divergence between the values of gold and silver, and heartily concurs in the recent expression of the opinion of the Governments of France and Germany, in regard to the serious evils arising therefrom. The House therefore urges the Government to co-operate with the powers in the calling of an international conference.

Act of Congress of the United States, March 3, 1895.

"Whenever the President of the United States shall determine that the United States should be represented at any international conference called with a view to secure internationally a fixity of relative value between gold and silver as money by means of a common ratio between those metals, with free mintage at such ratio, the United States shall be represented at such conference by nine delegates." Three of the delegates are to be appointed by the President, three by the Senate and three by the House of Representatives.

ABSTRACT OF PROPOSITIONS FOR THE SOLUTION OF THE CURRENCY PROBLEM.

GOLD COIN AND GOLD CERTIFICATES.

1. Retire all gold coins under $5. 2. Under $10.

Issue gold certificates of denominations under $20, but not less than $5.

Re-enact the law of 1863 authorizing the issue of gold certificates to the extent of 20 per cent. in excess of gold coin and bullion deposited. (See page 25.)

Make gold certificates legal tender.

Repeal all legal-tender laws, including that making gold a legal tender.

SILVER COIN AND SILVER CERTIFICATES.

1. Provide for the coinage of silver dollars free and to an unlimited extent, at the ratio of 16 to 1. 2. At the ratio of 17 to 1; the dollar of 438.6 grains. 3. At the ratio of 18 to 1; the dollar of 464.4 grains. 4. At the ratio of 19 to 1; the dollar of 490.2 grains. 5. At the ratio of 20 to 1; the dollar of 516 grains, with the issue of certificates upon deposit of the dollars.

The same without the issue of silver certificates.

The same with a new coinage of subsidiary pieces of exact subdivisions of the dollar, and made a full legal tender the same as the dollar.

Modifications of the above giving the seignorage to the Treasury; limiting the amount of the coinage to $4,000,000 monthly (others $2,000,000 monthly).

Restricting such coinage to bullion produced in the United States.

Free coinage, limited to $100,000,000 annually and $1,000,000,000 in the aggregate; silver certificates to be issued and made full legal tender.

Purchase monthly 2½ million ounces of silver and coin half-dollars, paying for the same in Treasury notes.

Coin all the silver bullion in the Treasury purchased under the law of 1890 and issue silver certificates for the seignorage (see p. 31), (1) before the actual coinage, (2) after such coinage.

Coin all silver of domestic production into dollars, on Government account; redeem, with such dollars, all one and two dollar notes and certificates; to maintain the parity of the silver dollars, redeem them in gold upon demand and suspend the coinage when they fall below par; issue 20-year 3 per cent. gold bonds to obtain the gold, but not more than $10,000,000 monthly nor more than $100,000,000 in all; issue no silver certificates on the deposit of this class of dollars.

Coin a limited amount of silver dollars on Government account, retiring all notes and gold coins under $10 to make room for the silver.

Coin silver dollars at the commercial value on Government account $4,500,000 monthly until the per capita circulation of all kinds of money is $40; thereafter coin enough to keep it at $40.

Free and unlimited coinage of both gold and silver for any depositor into pieces stamped "not a legal tender," and instead of "one dollar" and multiples, marked "ten dimes" and multiples.

The same, substituting for "dollar" the word "globe."

Issue silver certificates in denominations of $5,000 and upward upon deposits of small ones; similar to currency certificates (see page 37).

Coin silver dollars freely at a ratio to gold based upon the average market price for 90 days preceding the date when this plan shall go into effect, which ratio shall continue to be fixed until otherwise provided by law.

Free coinage and the issue of *coin* certificates, redeemable in gold or silver coin or bars at option of the Treasury; such certificates also to be issued on deposits of bonds of the United States in the Treasury at the rate of interest which the bonds bear, but the aggregate of certificates not to exceed an amount which would leave the coin and bullion in the Treasury available for their redemption at less than 60 per cent. of the issue.

Coin silver bullion acquired under law of 1890 at the rate of $3,000,000 monthly, and purchase sufficient additional silver to coin $2,000,000 more, the aggregate stock of dollars not to exceed $800,000,000; cancel silver certificates and Treasury notes of 1890 when received into the Treasury and prohibit issue of National bank notes under $10.

BULLION NOTES AND CERTIFICATES.

Purchase silver bullion at prices to be fixed by a "mint commission;" issue in payment Treasury notes redeemable in coin or in bullion at current price.

Issue gold and silver notes of denominations as at present or larger, upon deposits of bullion, the value of silver bullion deposited to be determined by the Treasury periodically according to the market quotations; the notes to be payable in bullion at the valuation at the time of payment, and to be a legal tender for all payments; the bullion to be held to redeem such notes; depreciation of the silver bullion held to be made up by a tax upon the notes issued while such deficiency exists, the proceeds of the tax to be invested in bullion to make up for the deficiency; no bullion to be received when and while the market price equals or exceeds $1.35 per fine ounce; redemption agencies to be established abroad; power to impose an import duty on silver. Accompanying this, provision to coin sufficient gold of the present standard, in pieces of $20 and $10, and silver subsidiary pieces only, at the rate of 464.4 grains fine silver (516 grains standard: ratio 20 to 1), to provide coin for the redemption of the notes when preferred by the holder; gold coins to be unlimited legal tender, and silver coins to the extent of $20; the present coins to be exchanged at par; Treasury notes to be canceled and redeemed in silver notes; the bullion held under the act of 1890 to be carried to the silver bullion fund; coinage not to continue so long as silver is above the established par, $1.35 per ounce fine; the law authorizing the issue of currency certificates to be repealed.

Issue gold bullion and silver bullion certificates upon deposits at present ratio; coin the bullion from time to time; when $100,000,000 has been acquired,

issue in addition an equal sum of the respective kinds of certificates; the certificates to be legal tender for all purposes and redeemable in gold coin or silver coin, according to their tenor.

UNITED STATES NOTES AND TREASURY NOTES.

Issue $300,000,000 additional notes, to be convertible into bonds.

Issue $600,000,000 of notes (on aluminum or on silk-fibre paper as the people may prefer) and retire all outstanding bonds therewith.

Issue $250,000,000 additional legal tender notes.

Coin silver and issue notes until the total circulation shall amount to $6,000,000,000.

Issue $300,000,000 of notes and place in reserve for every $3 issued $1 in coin; or if coin cannot be obtained deposit 5.20 bonds (not to exceed $100,000,000), which may be sold from time to time to obtain coin.

Issue notes to the States to the amount of $30 per capita, upon the deposit of State bonds in the Treasury.

Issue notes upon deposits of gold coin.

Issue notes to the amount of National-bank notes retired.

Make the present notes redeemable in equal parts of gold and silver coin.

Issue in lieu of the present notes Treasury notes convertible into bonds at the option of the holder; such bonds to be reconvertible into notes, the bonds to bear no interest while the notes are outstanding.

Issue no more notes or certificates under $5.

Redeem all notes by issuing bonds which shall be available for National-bank circulation.

Issue notes for Clearing-House certificates (see p. 164) bearing 6 per cent. interest; the certificates to be returned to clearing-houses issuing them upon return and cancellation of notes.

Issue additional notes to the amount of the revenue for the current fiscal year, and as much more annually as the revenues shall increase.

Issue "national currency notes" under supervision of a commission composed of Treasury officers, to be legal tender for all purposes and available for reserves of National banks; to any bank upon the deposit of bonds – of the United States, at par—of States or municipalities which never defaulted in their interest at 90 per cent., provided the bank guarantees the bonds; if bonds depreciate, additional deposits shall be made; the Treasury to have a first lien upon the bank's assets to the amount of such notes; notes subjected to a tax – of 1 per cent. on the amount of notes—up to 50 per cent. of the capital—2 per cent. for the excess up to 75 per cent.—and 4 per cent. on the excess up to 100 per cent. of the capital of the bank to which notes may be issued; failure to comply with regulations of the commission subjects bank to liquidation; banks may deposit any lawful money and receive back their bonds, such lawful money to be held to redeem the currency notes represented; the United States pledged to redeem all currency notes in coin; sale of 4 per cent. 5-year bonds authorized to obtain coin; for every 50 millions of currency notes issued the commission shall issue 20 millions of bonds

and hold proceeds as a special redemption fund ; currency notes redeemed in coin or received for public dues shall be reissued ; general provisions of National-bank act made applicable to the banks and notes herein specified.

Sell the silver bullion in the Treasury and redeem the Treasury notes of 1890 with the proceeds, any deficiency to be provided for out of the revenues. Repeal legal tender provision as to notes ; issue bonds and utilize gold reserve to retire the United States notes as rapidly as National-bank notes are issued in their stead upon the bonds so supplied.

Buy gold coin and bullion with notes, silver coin and silver certificates ; hold gold so acquired and any other that may be in the Treasury solely for the redemption of Government notes ; issue additional Treasury notes in all respects like the present ones, to the amount of gold acquired under this plan ; coin the seignorage and issue silver certificates therefor at once.

Abrogate the supposed right of any holder of notes to demand any particular kind of coin ; the Secretary of the Treasury to maintain the parity between gold and silver and not to discriminate in favor of either.

Issue $250,000,000 of legal-tender notes ; $100,000,000 to cover destroyed or lost notes, $150,000,000 to cover the decrease of National-bank notes ; $100,000,000 to be issued annually, on account of increasing population ; coupled with a graduated income tax.

NATIONAL BANK NOTES.

The Baltimore plan : Repeal the requirement in the National-bank act for the deposit of bonds to secure circulation issued ; allow banks to issue notes to the extent of one-half their paid-up unimpaired capital, subject to a tax of ½ of 1 per cent.; and "emergency circulation" to the extent of 25 per cent. additional of such capital to be subject to a considerably heavier tax. Redemption of notes by the Treasury through the 5 per cent. fund. A "guarantee fund" of 5 per cent. of the circulation to be established, to be held in the Treasury for the prompt redemption of notes of failed banks by the Treasury, to be made good out of the assets of such banks upon which the Treasury is to have a first lien, as well as upon the existing double liability of the shareholders.

Permit banks to issue notes to the extent of the par of bonds deposited (instead of 90 per cent.), and repeal the tax of one per cent. on circulation.

Permit note-issues without bond-security, the notes to be a first lien upon the bank assets, and if not sufficient to redeem the notes of failed banks, other banks in the same State to be assessed pro rata to make up the deficiency ; the issues to be limited to 75 per cent. of the paid-up capital of each bank ; "emergency circulation" equal to ⅔ of the authorized amount may be issued, subject to a tax of 6 per cent. per annum.

Cancel bonds on deposit by National banks for circulation; issue notes to the banks to the extent of $120 (including notes now issued by banks) for every $100 of bonds so canceled ; bank-notes thereafter to be the obligations of the United States, receivable and redeemable the same as Treasury notes ; coin the silver bullion held, to provide for the redemption of notes.

Provide for coin as well as bond security for bank notes ; repeal 10 per cent. tax upon State-bank issues, provided such banks deposit coin and bonds as herein required, with proper State officers, and provided States adopt laws in accord with this proposition ; National banks may also deposit State, county or municipal bonds, if solvent, not more than 20 per cent. of any one State, etc.; coin must equal 20 per cent. of total security deposit, half of silver and half of gold ; the United States to have a first lien upon the assets of National banks to secure noteholders ; failure to redeem notes in coin at its counter subjects National bank to liquidation and State bank to ten per cent tax.

Repeal requirement of deposits of bonds, and prohibit the issue of notes ; bank notes retired to be replaced by United States notes.

In lieu of bonds, National banks to deposit legal-tender notes to the extent of 30 per cent. of their circulation, which shall not exceed 75 per cent. of the paid-up capital; legal-tender notes deposited to constitute a guarantee fund to be maintained at that figure by the bank, to be returned if bank retires notes ; notes to be a first lien upon assets of banks ; tax of ½ per cent. continued ; no notes lower than $10 to be issued ; redemption of notes by banks or at their agencies, instead of by Treasurer ; safety fund of 5 per cent. to be gradually established by a tax to further protect notes ; if this fund and guarantee fund and *cash* assets are not sufficient to meet the notes of a failed bank ; all other banks to be assessed to redeem such notes, reimbursable from the funds thereafter ; remove limitations upon reducing or increasing circulation ; any surplus in the Treasury may be used to redeem and cancel the notes on deposit, but not to exceed 70 per cent. of bank notes issued. State banks to issue notes free from 10 per cent. tax, under State supervision, provided, first, the amount does not exceed 75 per cent. of the paid-up capital ; second, State laws are passed making shareholders doubly liable, and notes are a first lien upon assets ; third, that the bank maintains the 30 per cent. legal tender deposit with proper State officer, and fourth, continues to redeem its notes promptly on demand.

Issue notes to extent of 75 per cent. of capital paid up, without bond security, but no notes under $10 ; require banks to maintain a 25 per cent. specie reserve on circulation with the Treasury ; tax of 2 per cent. per annum to go into a fund for expenses and to redeem failed banks' notes, the tax to be reduced as the fund grows ; reserve to be under control of a board of bank presidents and Comptroller of Currency, in New York ; notes redeemed currently out of one-fifth of reserve to be in hands of Comptroller, reimbursable at once by banks ; Government notes to be redeemed to the extent of 75 per cent. of new bank issues, by sales of bonds when necessary.

STATE BANK NOTES.

Repeal the tax of 10 per cent. upon issues of notes, which now prevents the State banks from issuing them.

A modification providing that State banks before issuing notes must deposit with a State officer solvent bonds of that State or a county or city therein, to the full amount of such issue, which shall not exceed $5 per capita.

Authorize the issue of State bank notes on deposits of United States notes, coin or coin certificates, with the Treasurer of the United States; amount not to exceed the bank's capital, plus an amount equal to the average annual reserve of coin, but "reserve issues" not to exceed 50 per cent. of total issue. United States notes to be retired to the extent of 90 per cent. of the deposits of cash for security, the remainder to be held in reserve for redemptions; eventually these notes to cease having legal-tender power, and subsequently Treasury notes to be retired in like manner; banks refusing to take out notes to be taxed 12 per cent. on amount allottable to them. National banks to continue as now.

Upon certificate from the Governor and Treasurer of any State, satisfactory to the Comptroller of the Currency, that a State bank has deposited approved State or municipal or other bonds, such bank's note issues shall be exempt from payment of the 10 per cent. tax.

Repeal 10 per cent. tax on notes and all bond-security provisions; permit State banks to receive notes from Treasury the same as National banks, if State laws provide for double liability of shareholders, make notes a prior lien upon assets, and adequate provision for redemption of notes; issues to be limited in both State and National banks to 75 per cent. of capital; State banks to come, in other respects, under provisions of National Bank Act; National bank notes made a prior lien upon assets; ½ per cent. annual assessment upon circulation to meet expenses and provide a guarantee redemption fund in the Treasury of 3 per cent. on the circulation, to be used to redeem notes of any failed banks when assets are insufficient.

State banks (or National banks) to issue notes under Federal supervision to the extent of one-third of paid-up capital; aggregate not to exceed $10 per capita of population, unless Government notes are withdrawn, then $15 per capita; 25 per cent. reserve upon circulation in coin or lawful money to be constantly held in bank; a tax of one per cent. on circulation to be paid; additional circulation to the extent of 20 per cent. of the capital may be issued subject to a 2 per cent. tax; the tax so received to be deposited in a fund in the Treasury and invested in bonds, and when it reaches 75 per cent. banks may surrender the 25 per cent. reserve to Treasury and relieve themselves of all liability for notes; failure to redeem notes at counter involves liquidation; provisions of National-bank act not affected hereby, apply to the banks availing themselves of the provisions of this plan.

State-banks to issue notes free from tax, if the States respectively pass laws embodying in addition to such other provisions as they shall prefer, the following: issues not to exceed 75 per cent. of paid-up capital; notes to be a first lien upon assets; stockholders doubly liable for notes; prompt redemption of notes by banks in legal tender money of the United States; examinations by proper State officers and published reports at least five times a year.

Any persons, corporation, association or mining company may obtain charters as silver-guaranty banks, subject to the National-bank act, except as provided herein; deposits of silver bullion to be accepted by the Treasury at market value and in addition United States bonds equal to 20 per cent. of the value of

such deposit; notes to be issued to the amount of the value of the silver bullion; notes to be full legal tender except for customs duties; depreciation of silver to be made good by additional deposits; only domestic silver bullion (sworn to be such) acceptable as security; duty upon all silver imports of 20 cents per ounce; aggregate issue of such notes not to exceed $8 per capita.

See also under National-bank notes.

GENERAL PROPOSITIONS.

Purchase and coin (at ratio of 16 to 1) all silver and gold bullion offered; abolish the gold reserve; issue $2 in "greenbacks" for every dollar of silver or gold coined; all to be legal tenders and interchangeable in sums not over $100; Government payments to be made in equal proportions of each kind of such money, excepting bonds, which may be paid in equal parts of gold and silver coin.

Purchase all silver bullion mined in the United States and coin the same at the present ratio; issue United States notes to the extent of eight times the value of the bullion acquired (but not more than $50,000,000 in any one month) for a period of three years; loan the notes upon real estate at 2 per cent. for periods not longer than eight years.

Re-establish free and unlimited coinage of silver dollars; call in and redeem all bonds at the rate of $10,000,000 per month, using the silver and the $100,000,000 gold reserve to pay them; issue a sufficient amount of "paper money" to retire all National-bank and Government notes, gold and silver certificates, and as much more as may be needed to pay expenses of the Government, all of which paper money is to be full legal tender; repeal all currency and bond laws, the National-bank act, the tariff and internal revenue laws.

Making contracts payable in specific kinds of money void after passage of the law.

Repeal *all* legal tender laws—those applicable to gold and silver, as well as those applicable to paper.

The money of the United States to consist of gold and silver coin and Treasury notes redeemable half and half in such coins; notes when redeemed may be reissued; retire all Government notes or certificates and issue these Treasury notes in lieu thereof; buy all domestic bullion in lots not less than $100 (of which 50 per cent. must be gold), but only while silver bullion is below $1 per ounce; pay for the bullion in these Treasury notes; coin shall be legal tender for all payment, unless otherwise specified, if tendered in equal parts of silver and gold; duties on imports payable in gold only, but other taxes in gold and silver or in notes; State banks to receive these Treasury notes upon deposit with Treasurer of the United States of gold coin 50 per cent. and bonds 50 per cent., United States bonds at face value, State bonds at 10 per cent. discount on market rate, city bonds and solvent railways' first mortgage bonds at 15 per cent. discount, provided the banks' own corporate bond for the full amount, guaranteeing them, is also filed; such banks subject to examination by the Treasurer of the United States and to a tax of 1

per cent. on the notes received, to provide a fund for the creditors in case of failure of the bank. National banks to remain as now.

Issue Treasury notes to buy gold and silver bullion; the amount issuable to be 3½ times the amount of net gold and silver owned by the Treasury; notes redeemable in coin or bullion at holder's option, but whether in gold or silver at the option of the Treasury; sufficient coin to be struck for this redemption, but for no other purpose; notes to be legal tender, but receivable for public dues only from citizens of the United States; aliens or such persons acting as agents for them must pay dues to the United States in *gold* coin or bullion.

All kinds of money, coin or paper, including bank notes, to be equally and interchangeably full legal tender, except that aliens and their agents, etc., shall pay dues to the United States in gold; subsidiary silver coins to be legal tender to $25, minor coins to $5; contracts payable in any kind of money at debtor's option; gold contracts declared void and not enforceable.

Authorize a Federal Currency Bank with branches, the capital, $40,000,000, to be provided by all banks, State or National, that desire to issue or continue issuing notes; deposit of approved securities or coin and bullion with such bank, which shall supervise the issue and redemption of notes, and guarantee them; the bank to do no deposit or discount business, but to be permitted to buy and sell bullion and foreign exchange, to issue "emergency circulation" upon bills receivable deposited with it by other banks, but subject to a progressive taxation, by the Federal Government under whose supervision it shall be; authorize it, further, to have the Government's deposits either in its own or in some guaranteed banks' vaults, upon the deposit with the Treasury of approved bonds; the Government paper issues to be retired by means of 2 per cent. bonds; all provisions for Treasury redemptions or securing of bank-notes to be abolished; notes to be issued in distinctive forms or colors to indicate the character of the security for the issue and to be a first lien upon the assets of the issuing bank.

Appoint a monetary commission of fifteen, not more than seven to be bankers, and not more than two from any one geographic section, to collect data bearing on the subject and to frame a comprehensive system of currency for the United States.

Authorize the issue of silver certificates to the extent of three times the amount of dollars on deposit; issue legal-tender notes for any deficiency in the revenue; gold to be paid upon any note or obligation of the United States to the extent of only one-half the amount when in excess of $1,000, unless the surplus of gold or scarcity of silver makes it advisable to do otherwise.

Establish at least one sub-treasury or Government bank in each county in the United States under the supervision of a Banking and Loan Bureau in the Treasury Department; all notes and certificates of the Government to be legal tenders, and gradually redeemed—gold certificates in gold, silver certificates in silver and notes in the metal at the time most plentiful in the Treasury; all metal in the Treasury to be covered into one redemption fund; a new form of legal tender Treasury note to be issued in lieu of the various paper issues named, to the amount of three times the coin and bullion; all bullion to be forthwith coined;

silver to be coined free and unlimited in amount; Government banks herein provided for to be under supervision of the Treasury through a bonded manager or director appointed by the Loan Bureau; these banks to receive deposits from individuals of $1 and upward, at 3 per cent. interest; if for short terms (less than one year) 15 per cent. of the cash must be kept at place of deposit; long term deposits may be transferred to points where needed; surplus Treasury notes to be deposited in these banks in proportion to the needs of the community; these notes and the deposits may be loaned to any citizen giving personal or real estate security, not to exceed, however, $3,000 at any one time to any one person, at 4 per cent. interest, for periods from 3 months to 20 years, but loans on personal security not longer than 1 year; the United States to guarantee the deposits; postal savings banks to be established as adjuncts to Government banks; no more National banks to be established or continued after expiration of charters.

Establish a central bank with principal and subordinate branches, with $100,000,000 capital, $\frac{1}{5}$ gold $\frac{4}{5}$ bonds; any bank may become a branch, by investing part of its capital in the main institution, directly or through other banks; all these shall be allowed to issue notes; Government notes to be retired by issue of 3 per cent. interminable bonds, to be taken by the banks, and National-bank notes to be exchanged for the new bank notes; new notes to be prepared and issued to banks by the Treasury; old bank notes to be surrendered to the Treasury for bonds now held; after fixed date no Government note shall be a legal tender, and other notes taxed 10 per cent.; banks not coming into the scheme to pay a tax of $\frac{1}{4}$ per cent. on deposits and same on loans and discounts; customs duties to be paid in gold, internal taxes in notes of solvent banks; Treasury and State bank departments to exercise joint supervision; silver to be coined for banks at their cost, with name of bank and weight, and the distinctive word "free" thereon, such coin to be at 90 per cent. of the gold value of silver bullion therein, redeemable by issuing bank in gold, and payable in redemption of small bank notes to the amount of $5. The central bank to guarantee the redemption of notes in coin, directly or through its principal branches, and it shall have power to compel liquidation for failure to redeem notes, concurrently with the Comptroller of the Currency.

Coin the silver now in the Treasury and purchase any silver that may be offered, coining the same from time to time; issue 3 per cent. ten-forty-year gold bonds, to obtain gold sufficient to maintain the parity of silver and gold money; issue silver certificates upon the coin and bullion in the Treasury, which certificates are to be legal tenders; amount of bonds and of certificates limited to $500,000,000; bi-metallic coins authorized, the "metric dollar" to weigh 12 grammes, of which .885 gramme gold, 9.915 grammes silver, 1.200 copper, and the "metric four-dollar piece," 6 grammes of gold, .3 gramme silver, .7 gramme copper, the latter for domestic and international use; provide for State-bank notes without tax where State laws require securities to be deposited and prompt redemption of notes; National banks to be permitted to loan money on bond and mortgage.

Issue *coin* certificates on gold and silver coin and bullion in the Treasury or hereafter acquired, redeemable in gold or silver coin at the option of the Treas-

ury; retire all gold and silver certificates and Treasury notes with the coin certificates, as well as all United States notes under $10 and over $500, substituting other denominations for the latter.

Issue full legal-tender currency notes redeemable in coin, to the amount of the interest-bearing debt, at par, retiring the debt with such notes; if debt is not presented within ninety days, it is to be forever barred; issue an additional amount of currency notes to pay pensions, which are to be paid only in such notes; two-thirds vote of Congress required to make this plan legal.

Coin the seignorage bullion and issue certificates thereon; provide for the issue of 3 per cent. five-year coin bonds to maintain the parity of the two metals at present ratio; bonds now outstanding may be retired with the new bonds on a 3 per cent. basis; repeal 10 per cent. tax on State-bank notes; tax on National-bank notes to be reduced to ¼ of 1 per cent. per annum, and such notes to be issued to the par value of bonds on deposit; make such notes a first lien upon the banks' assets.

Retire all silver certificates, gold certificates and Treasury notes of 1890 with a new form of Treasury notes, legal tender for all purposes except where gold is contracted for; to be redeemable in standard coin and reissued; the silver bullion in the Treasury to be coined and all the coin to become the property of the Treasury as fast as the certificates and notes are retired; bank reserves to be held in silver dollars to the extent of 50 per cent.; a reserve equal to 30 per cent. of all Government notes outstanding to be established, one-half silver and one-half gold; either kind of metal, if below 6 per cent. in relation to the notes outstanding, to be replenished by the sale of five-twenty-year bonds at best rates obtainable to procure such metal.

Purchase all gold and silver bullion offered, paying 60 cents per gramme of fine gold, to be increased annually by one cent per gramme until 1935; $1 per gramme thereafter, and silver at one twenty-fifth of the price of gold; ratio 1 to 25; coin pieces now only at ultimate value in 1935; issue *specie notes* full legal tender even when otherwise contracted; redeemable in gold or silver at option of holder, but until 1935 in bullion only, for the first quarter of each year; deposit all present or acquired gold and silver coin and bullion in a specie reserve fund; issue notes to the extent of all coin and bullion now in the Treasury or derived from revenues; no coins now in use to be reissued when once received; maintain equal amount of gold and silver in reserve by issue of 4 per cent. thirty-year bonds; redeem all outstanding Government notes and certificates with specie notes; purchasing price of silver may be reduced to prevent undue accumulation; establish bond-listing commission to determine which State, county or municipal bonds may be received for security for National-bank circulation; tax on bank circulation 4 per cent., payable quarterly out of interest due on bonds; fund so raised to be eventually used to redeem notes if all other resources fail; the United States to be entirely responsible for the redemption of bank notes.

APPENDIX.

THE CAUSES FOR RECENT BOND ISSUES BY THE UNITED STATES TREASURY.

In January, 1893, the condition of the Treasury was by no means encouraging. The excess of expenditures over receipts, the continuing exportation of gold drawn chiefly from the gold reserve on notes presented for redemption, and the compulsory purchase of silver, by which the supply of such notes was increased, led Secretary of the Treasury Foster to believe it necessary to make use of the power given by the act of January 14, 1875, and issue bonds to replenish the gold reserve, which at the end of February, 1893, had fallen to $103,000,000. On March 4 Secretary Carlisle took hold of the Treasury Department; there was a slight improvement in the conditions during that month, but it was only temporary, and by June the reserve had decreased to $95,000,000, the general cash balance (inclusive of the reserve) having remained fairly stationary. At the end of the fiscal year it was found that the receipts had exceeded expenditures by only $2,000,000, and the revenues in prospect were not nearly as large as had been estimated.

On June 30 President Cleveland called Congress in extraordinary session on August 7, to consider the financial situation; in his message at the opening of the session particular stress was laid upon the importance of stopping the buying of silver, and the discussion was practically limited to that question. A bill was at once introduced providing for the discontinuance of such purchases; various amendments looking to free coinage were introduced, but rejected by majorities of 102 and more in the House of Representatives, which finally passed the original bill by a vote of 239 to 108, on August 23, 1893.

The Senate, after many propositions to amend were voted down, some by very narrow majorities, finally passed the bill with an amendment declaring it to be the policy of the United States to continue the use of both gold and silver as standard money, to coin both into money of equal value, to be secured by international agreement or legislation; that the efforts of the Government should be steadily directed to the establishment of a safe system of bi-metallism. This occurred on October 30, 1893, the vote being 43 to 32. The House of Representatives on November 1, passed the amended bill and it was signed by the President the same day, whereupon Congress adjourned.

By this time the general cash balance had declined to $102,000,000, and the gold reserve to $84,000,000. The gold importations of the preceding summer, to allay the panicky conditions which then prevailed, served to check the withdrawals from the Treasury; but it had been found necessary to use gold in the regular disbursements. When, in December, exports were resumed the Treasury stock was not called upon to supply much for that purpose; but general payments reduced the cash balance to $90,000,000, only $9,000,000 beside the gold, so that it was absolutely necessary to continue using it for regular disbursements. By the end

of January, 1894, the net gold stood at $65,000,000, the other available cash at $19,000,000.

Secretary Carlisle having pointed out to Congress, which had reassembled in regular session early in December, that he should have some legislation providing for borrowing money at rates less onerous than those imposed by the act of 1875 (which authorized issues of 4 per cent. 30-year, 4½ per cent. 15-year, and 5 per cent. 10-year bonds) and receiving no encouragement, finally called for proposals for the purchase from the Treasury of $50,000,000 of the last-mentioned class of bonds, as follows :

CIRCULAR.—INVITING PROPOSALS FOR FIVE PER CENT. BONDS.

TREASURY DERARTMENT,
OFFICE OF THE SECRETARY.
WASHINGTON, D. C., January 17, 1894.

By virtue of the authority contained in the act entitled "An act to provide for the resumption of specie payments," approved January 14, 1875, the Secretary of the Treasury hereby offers for public subscription an issue of bonds of the United States to the amount of $50,000,000, in either registered or coupon form, in denominations of $50 and upwards, redeemable in coin at the pleasure of the Government after ten years from the date of their issue, and bearing interest, payable quarterly in coin, at the rate of 5 per cent. per annum.

Proposals for the whole or any part of these bonds will be received at the Treasury Department, office of the Secretary, until twelve o'clock noon, on the first day of February, 1894. Proposals should state the amount of bonds desired, whether registered or coupon, and the premium which the subscriber proposes to pay, the place where it is desired that the bonds shall be delivered, and the office, whether that of the Treasurer of the United States or an Assistant Treasurer of the United States, where it will be most convenient for the subscriber to deposit the amount of his subscription. Failure to specify the above particulars may cause the proposal to be rejected.

As soon as practicable, after the 1st day of February, 1894, the allotment of bonds will be made to the highest bidders therefor, but no proposal will be considered at a lower price than 117.223. which is the equivalent of a 3 per cent. bond at par, and the right to reject any and all proposals is hereby expressly reserved. In case the bids entitled to allotment exceed the bonds to be issued, they will be allotted pro rata.

Notices of the date of delivery of the bonds will be sent to the subscribers to whom allotments are made as soon as practicable, and within ten days from the date of such notice subscriptions must be paid in United States gold coin to the Treasurer or such Assistant Treasurer of the United States as the subscriber has designated, and if not so paid the proposal may be rejected.

The bonds will be dated February 1, 1894, and when payment is made therefor, as above, accrued interest on both principal and premium from February 1, 1894, to date of payment, at the rate of interest realized to the subscriber on his investment, will be added.

All proposals should be addressed to the Secretary of the Treasury, Washington, D. C., and should be distinctly marked "Proposals for subscriptions to five per cent. bonds."

J. G. CARLISLE, Secretary.

The proposals aggregated $52,292,150, of which $42,996,850 offered the "upset" rate, and $9,295,300 better rates ; all of the latter were accepted and the former scaled to the amount remaining of the $50,000,000, producing $58,660,917. Notwithstanding the fact that payments in gold coin were asked for by the Secretary, $24,396,459 were practically paid for otherwise, the gold for the actual payment having been withdrawn from the Treasury. But of the amount received for the bonds and premium, enough gold was acquired to bring up the reserve to $106,000,000, and the general cash contained $33,000,000 of other moneys.

By this time Congress had set itself to work upon its special task—the revision

of the tariff; and in anticipation of many changes, merchandise importations had fallen off materially, thus keeping the revenue down; the decrease in consuming power after the panic, the reduction in the volume of manufactures, etc., served to aggravate the general situation; Congress stopped its special business long enough to pass a measure for the coinage of the seignorage bullion and issuing silver certificates ($55,000,000) thereon at once; which was the only relief offered to the Treasury. The President promptly vetoed the bill.

Gold exports became heavier in the course of the spring and summer, all being supplied by the Treasury on notes redeemed; by the 8th of August the gold reserve touched its lowest point ($52,200,000); the general cash which the $71,000,000 deficit in the Treasury had again brought down to $117,000,000 in June, rose somewhat in July and August by payments of the whiskey tax, and at the end of August the Secretary had $127,000,000, of which $55,000,000 was in gold. Congress passed the tariff law August 27 and adjourned soon thereafter.

Exports ceased about the 8th of August and the reserve began to increase slowly; but by the end of October it was only $61,000,000; the other cash in the Treasury standing at $46,000,000.

Accordingly in November a second bond issue of $50,000,000 was decided upon, and a circular issued November 15th, inviting proposals for $50,000,000 additional 5 per cent. bonds of the same issue as that of February. The circular varied from the previous one in one particular, viz:

> Bidders whose proposals are accepted will be required to pay twenty per cent. in gold coin, or gold certificates, upon the amounts of their bids as soon as they receive notice of the acceptance of such bids, and to pay in like coin or certificates an additional twenty per cent. at the expiration of each ten days thereafter, until the whole is paid; but they may, at their option, pay the entire amount of their bids when notified of acceptance, or at any time when an instalment is payable. The first payment, however, of not less than twenty per cent. must be made when the bidder receives notice of the acceptance of his proposal.

It will be observed that no "upset" price was fixed in this circular.

The proposals received aggregated $178,341,150, at the following rates:

At above 117.077	$10,935,250
At 117.077 for all or none	50,000,000
At from 116.8898 to 117 077	5,629,800
At 116.8898 for all or any part	50,000,000
At below 116.8898	61,776,100

The two proposals for $50,000,000 each came from a New York syndicate and were in the alternative. It was manifestly better for the Treasury to accept the first-mentioned proposal of this syndicate, as more money was obtainable under it than under any combination of the other proposals, and this one was accordingly accepted. The bonds were of the same issue as those of February and had therefore only about 9¼ years to run; the investment rate was therefore about 2⅞ per cent. The amount received was $58,444,900.

Although it was reported that a tacit agreement was made by the syndicate among themselves to draw no gold from the Treasury for the payments to be made under the proposal, and although the actual payments were made in gold, a considerable sum was withdrawn to recoup certain parties who had advanced

the coin for the purpose. The Treasury lost in December $22,000,000 more gold than was exported, and the reserve, which had recovered to $111,000,000 early in that month, was down to $86,000,000 again at its end.

During the calendar year that closed with that month the excess of exports of merchandise and silver over imports was fully $186,000,000; nevertheless it was necessary to export $81,000,000 more gold than was imported, indicating a steady return of American securities from abroad and the general withdrawal of credits, ostensibly due to the fear of silver payments here.

Congress was appealed to in the message of the President and in the annual report of Secretary Carlisle, early in December, to take measures to remedy the evils; again on January 28 the President sent a special message; but it was in vain that a more reasonable bond authority was requested; propositions to retire the United States notes and Treasury notes, thus doing away with the facility for withdrawing gold, were scarcely given a hearing in Congress; the conditions continued; the deficiency in the revenues, amounting for the calendar year to $61,000,000, served to aggravate the untoward state of affairs.

In January the net excess of gold exports amounted to $25,000,000 and the withdrawals upon notes were upward of $43,000,000; the gold reserve fell to $49,000,000 at the end of the month.

It became necessary, therefore, in order to maintain gold payments, to acquire further sums of the yellow metal by bond issues; but more was needed than this: it was requisite that the gold placed in the Treasury remain there; that the exports be checked and imports be induced. In other words, the Treasury was compelled to buy gold in the markets of the world, instead of in New York only, and to buy in addition such a credit as would keep the gold so acquired in its vaults.

Accordingly the President and the Secretary of the Treasury on February 1 opened negotiations looking to this end, using the authority, still existing, of an act of March 17, 1862, embodied in the Revised Statutes as Section 3,700. Within a few days the public learned of this movement, and when it became definitely understood, the exports of gold ceased at once, some of the gold which had been withdrawn from the Treasury for that purpose being actually returned to its vaults. But the reserve had fallen to $42,000,000 in the week.

The contract with the syndicate was finally signed on February 8, as follows:

CONTRACT.

This agreement entered into this eighth day of February, 1895, between the Secretary of the Treasury of the United States, of the first part, and Messrs. August Belmont & Company, of New York, on behalf of Messrs. N. M. Rothschild & Sons, of London, England, and themselves, and Messrs. J. P. Morgan & Company, of New York, on behalf of Messrs. J. S. Morgan & Company, of London, and themselves, parties of the second part.

Witnesseth: Whereas, it is provided by the Revised Statutes of the United States (section 3,700) that the Secretary of the Treasury may purchase coin with any of the bonds or notes of the United States authorized by law, at such rates and upon such terms as he may deem most advantageous to the public interests; and the Secretary of the Treasury now deems that an emergency exists in which the public interests require that, as hereinafter provided, coin shall be purchased with the bonds of the United States, of the description hereinafter mentioned, authorized to be issued under

the act entitled "An act to provide for the resumption of specie payments," approved January 14 1875, being bonds of the United States described in an act of Congress approved July 14, 1870, entitled "An act to authorize the refunding of the National debt."

Now, therefore, the said parties of the second part hereby agree to sell and deliver to the United States three million five hundred thousand ounces of standard gold coin of the United States, at the rate of $17 80441 per ounce, payable in United States 4 per cent. thirty-year coupon or registered bonds, said bonds to be dated February 1, 1895, and payable at the pleasure of the United States after thirty years from date, issued under the acts of Congress of July 14, 1870, January 20, 1871, and January 14, 1875, bearing interest at the rate of 4 per cent. per annum, payable quarterly.

First.—Such purchase and sale of gold coin being made on the following conditions:

1. At least one-half of all coin deliverable hereinunder shall be obtained in and shipped from Europe, but the shipments shall not be required to exceed three hundred thousand ounces per month, unless the parties of the second part shall consent thereto.

2. All deliveries shall be made at any of the Sub-Treasuries or at any other legal depository of the United States.

3. All gold coins delivered shall be received on the basis of twenty-five and eight-tenths grains of standard gold per dollar, if within limit of tolerance.

4. Bonds delivered under this contract are to be delivered free of accrued interest, which is to be assumed and paid by the parties of the second part at the time of their delivery to them.

Second.—Should the Secretary of the Treasury desire to offer or sell any bonds of the United States on or before the first day of October, 1895, he shall first offer the same to the parties of the second part; but thereafter he shall be free from every such obligation to the parties of the second part.

Third.—The Secretary of the Treasury hereby reserves the right, within ten days from the date hereof, in case he shall receive authority from Congress therefor, to substitute any bonds of the United States, bearing 3 per cent. interest, of which the principal and interest shall be specifically payable in United States gold coin of the present weight and fineness for the bonds herein alluded to; such 3 per cent. bonds to be accepted by the parties of the second part at par, *i. e.*, at $18.60465 per ounce of standard gold.

Fourth.—No bonds shall be delivered to the parties of the second part, or either of them, except in payment for coin from time to time received hereunder; whereupon the Secretary of the Treasury of the United States shall and will deliver the bonds as herein provided, at such places as shall be designated by the parties of the second part. Any expense of delivery out of the United States shall be assumed and paid by the parties of the second part.

Fifth.—In consideration of the purchase of such coin, the parties of the second part, and their associates hereunder, assume and will bear all the expense and inevitable loss of bringing gold from Europe hereunder; and, as far as lies in their power, will exert all financial influence and will make all legitimate efforts to protect the Treasury of the United States against the withdrawals of gold pending the complete performance of this contract.

In witness whereof the parties hereto have hereunto set their hands in five parts this 8th day of February, 1895.

J. G. CARLISLE, Secretary of the Treasury.

AUGUST BELMONT & Co,
On behalf of Messrs. N. M. Rothschild & Sons, London, and themselves.

J. P. MORGAN & Co.,
On behalf of Messrs. J. S. Morgan & Co., London, and themselves.

Attest:
W. E. CURTIS.
FRANCIS LYNDE STETSON.

In accordance with its terms, the President called upon Congress to give him the power to sell a 3 per cent. *gold* bond in lieu of a 4 per cent. *coin* bond, but before the ten days' option expired the House of Representatives, by a vote of 120 to 167, refused to grant the desired authority.

The execution of the terms of the contract began at once; imports of gold were made weekly; the payment of the amount to be derived from this side of

the Atlantic was completed in ten days, and the gold reserve at the end of February stood at $84,000,000; now—March 15—at $90,000,000.

The price at which the bonds are issued is 104.496, and the investment rate is therefore about 3¾.

The following table exhibits the condition of the Treasury, the gold movement, the specie and the surplus in New York banks, and the general commerce by months, from January, 1893, to February, 1895, in the nearest millions of dollars:

The Treasury Revenues, Gold and Commerce.

JANUARY 1893 TO FEBRUARY 1895.

(In millions of dollars.)

Month.	The Treasury.			Gold.			New York Banks.		Merchandise and Silver Excess of Exports — or Imports. +
	Receipts.	Payments.	Balance, Including Gold.	Treasury Balance.	Withdrawals from the Treasury.	Excess of Exports — or Imports. +	Specie Holdings.	Surplus Reserves.	
1893 January	35	38	125	108	11	—12	85	9	+ 5
February	30	31	124	103	14	—13	73	6	+12
March	34	32	126	107	5	— 1	72	11	+18
April	28	33	121	97	20	—18	71	13	+16
May	31	30	121	95	17	—15	71	21	+ 5
June	31	29	122	93	4	— 2	66	1	+ 2
Fiscal year	385	383	...	...	102	—87	..	...	+ 1
July	31	40	118	99	1	+ 6	63	—14	—10
August	24	33	107	96	2	+40	67	— 2	—17
September	25	25	107	93	—	+ 5	81	29	—28
October	24	29	102	84	1	+ 1	96	52	—38
November	24	31	95	82	—	+ 4	101	76	—45
December	22	30	90	81	1	— 2	106	84	—48
Calendar year	339	381	...	...	76	— 7	..	...	—128
1894 January	24	31	84	65	—	— 1	127	112	—38
February	22	27	139	106	19	— 1	98	76	—20
March	25	31	134	106	3	— 3	100	81	— 7
April	23	32	125	100	8	— 9	99	83	— 7
May	23	30	118	79	27	—23	99	78	— 7
June	26	25	117	65	22	—22	92	72	— 8
Fiscal year	293	364	...	...	85	+ 4	..	...	—274
July	35	37	119	55	14	—13	91	69	+10
August	40	31	127	55	5	— 2	91	66	—12
September	23	30	120	59	1	—	92	59	—11
October	19	33	107	61	3	+ 1	94	63	—27
November	19	28	144	105	7	+ 1	76	52	—32
December	22	27	153	86	31	— 9	74	36	—26
Calendar year	301	362	...	...	140	—81	..	...	—186
1895 January	28	34	144	49	43	—25	81	37	—16
February	23	25	178	84	5	— 4	70	28	— 1

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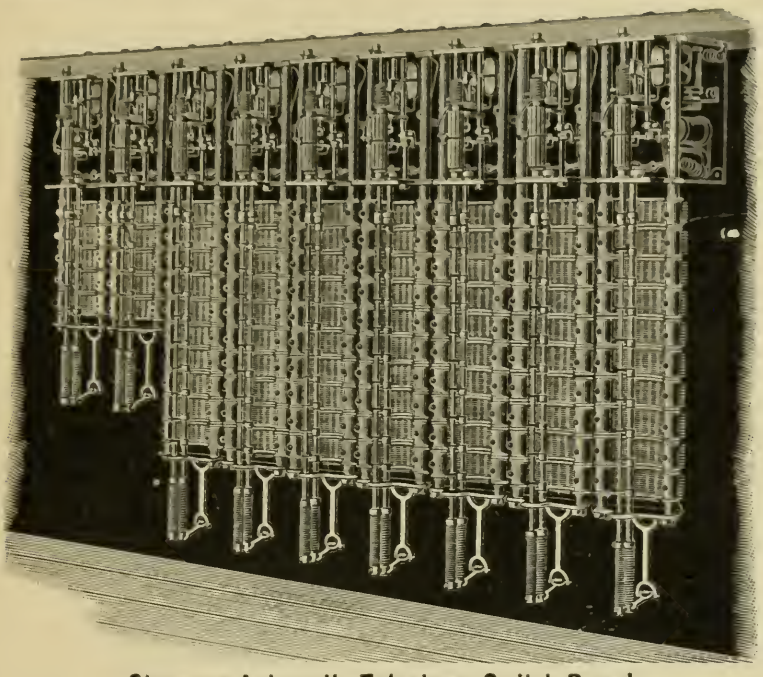

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U. S. bonds to secure circulation		50,000.00
Stocks and bonds		1,730,679.10
Banking house		250,000.00
Other real estate		40,312.48
Due from national banks	$837,072.58	
Due from State banks and private banks and bankers	561,894.17	
Checks and other cash items	159,707.74	
Exchanges for Clearing House	1,276,199.52	
Bills of other national banks	125,500.00	
Fractional currency	10,640.00	
Specie	2,720,656.94	
Legal tender notes	4,973,833.00	
Collector of customs	6,324.05	
Due from U. S. Treasurer	15,000.00	
		10,686,828.00
Total		$37,446,889.07

LIABILITIES.

Capital stock paid in		$300,000.00
Surplus fund		6,000,000.00
Undivided profits		1,184,367.70
State bank circulation outstanding.		10,874.00
Due to national banks	$3,494,146.63	
Due to State banks, private banks and bankers	2,049,525.88	
Individual deposits	23,551,717.81	
Demand certificates of deposits	692,160.45	
Certified checks	117,845.80	
Cashier's checks outstanding	40,575.80	
Dividends unpaid	5,675.00	
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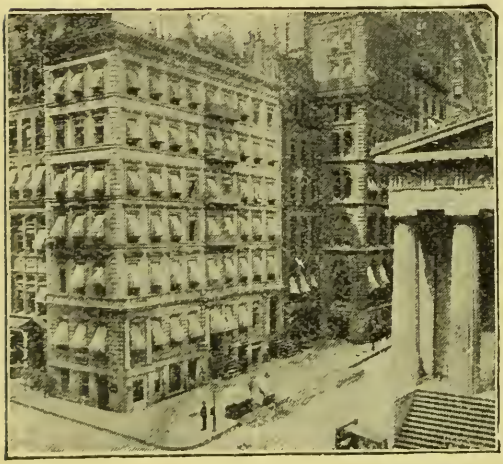

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